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100th Congress, 1st Session
H. Rept. No. 100-433
S. Rept. No. 100-216

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 7
Depositions

Lee H. Hamilton, *Chairman,*
House Select Committee
Daniel K. Inouye, *Chairman,*
Senate Select Committee

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.
November 17, 1987.—Ordered to be printed.

Washington : 1988

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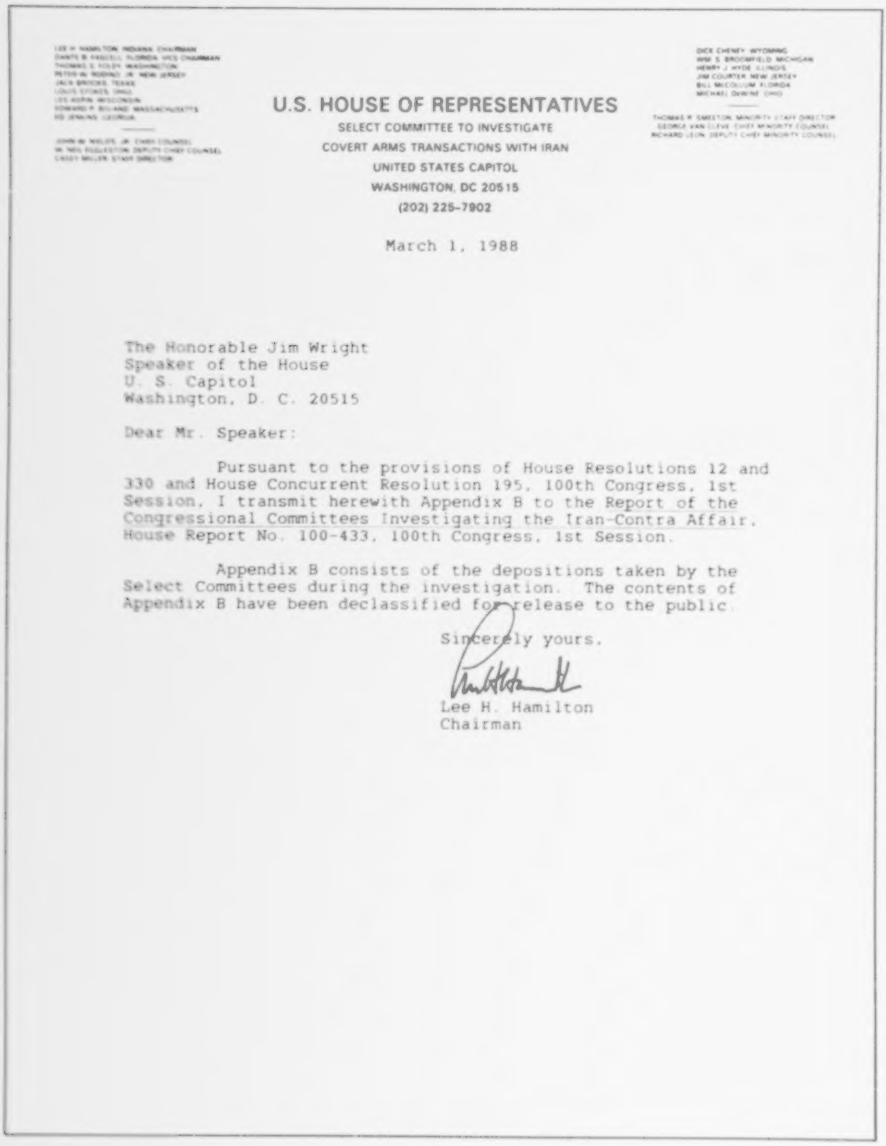

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March 1, 1988

The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

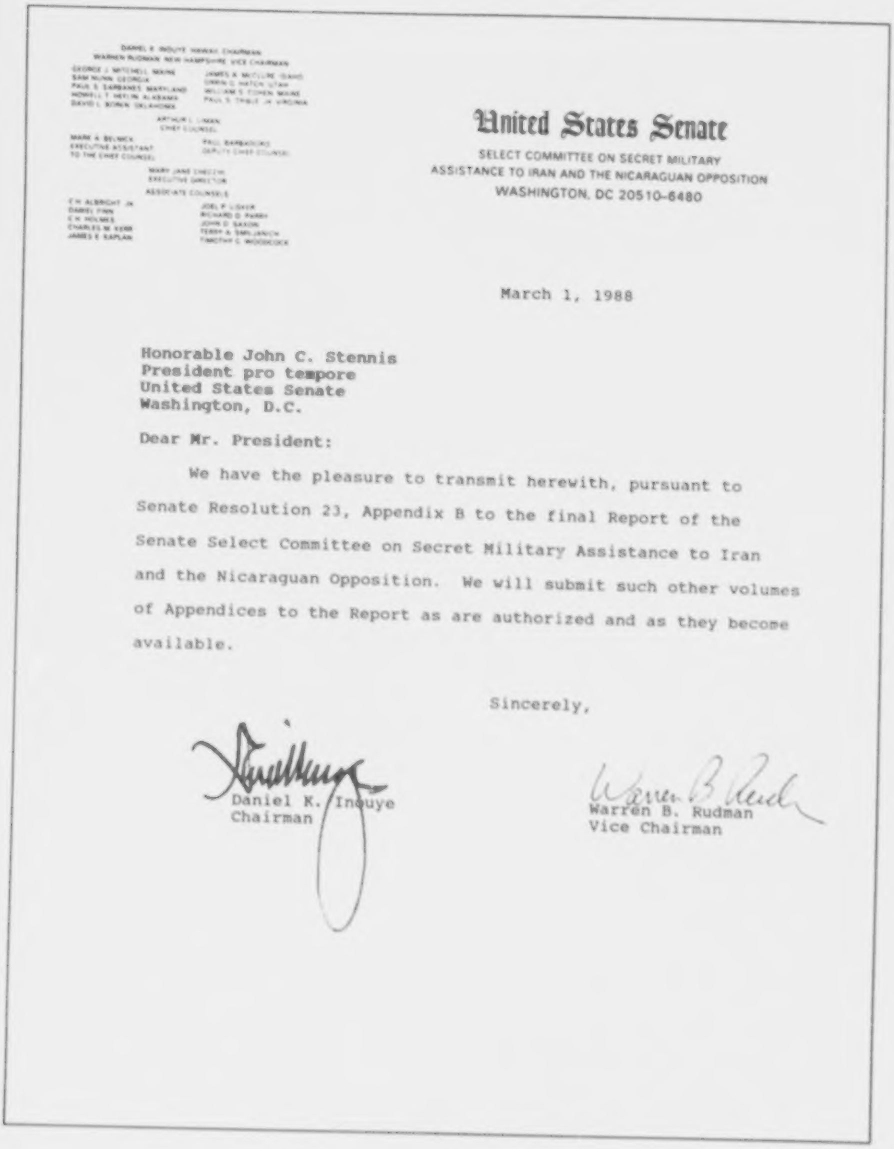
Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

Lee H. Hamilton
Chairman



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United States Senate
SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988

Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

Daniel K. Inouye
Chairman

Warren B. Rudman
Vice Chairman

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Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the House and Senate Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: *Source Documents,* 2 volumes, 1988.
Appendix B: *Depositions,* 27 volumes, 1988.
Appendix C: *Chronology of Events,* 1 volume, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.

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DEPOSITION OF CHARLES J. COOPER

Monday, June 22, 1987

U.S. House of Representatives,

Select Committee to Investigate
Covert Arms Transactions with Iran,

Washington, D.C.

The committee met, pursuant to call, at 9:40 a.m., in Room B-352, Rayburn House Office Building, Pamela J. Naughton, presiding.

Present: Pamela J. Naughton, Staff Counsel; Richard Leon, Deputy Chief Minority Counsel; and Tina Westby, Associate Staff, on behalf of the House Select Committee.

Richard Parry, Associate Counsel, on behalf of the Senate Select Committee.

Also present: Dee Benson, personal representative to Senator Orrin Hatch; and John R. Bolton, Assistant Attorney General, Office of Legislative Affairs, U.S. Department of Justice, on behalf of the witness.

rtially Declassified/Released on DEC 21, 1989
under provisions of E.O. 12356
by D. Sirko, National Security Council

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3 of 3

Whereupon,

CHARLES J. COOPER, was called as a witness, and after having been first duly sworn, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Could you state and spell your name for the record, please.

A Charles J. Cooper, C-o-o-p-e-r.

Q This is a deposition taken by the House Select Committee to Investigate Covert Arms Transactions with Iran. My name is Pamela J. Naughton, Staff Counsel to the House Committee.

Would the others present please introduce themselves.

MR. LEON: Richard Leon, Deputy Chief Minority Counsel for the House Committee.

MS. BENSON: Dee Benson, Senator Hatch's personal representative to the Committee.

MR. BOLTON: John Bolton, Assistant Attorney General for Legislative Affairs.

BY MS. NAUGHTON:

Q Mr. Cooper, are you personally represented today?

A No.

MS. NAUGHTON: Then, Mr. Bolton, according to our

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rules, you should not be here.

THE WITNESS: I am advised by Mr. Bolton that he is here representing me in my official and personal capacity, which was the understanding reached by the Department of Justice and representatives of the Select Committee, as I am advised.

BY MS. NAUGHTON:

Q Well, Mr. Cooper, you are the client. It is your choice.

Do you choose to have Mr. Bolton personally represent you in this deposition?

A I choose to have Mr. Bolton here if that is consistent with the committee's rules and understandings, but I have not retained anyone as personal counsel.

Q Okay.

Mr. Cooper, according to the rules, the rules prohibit any observers to the depositions who are not the personal representatives of the witness and specifically preclude any observers from the agencies from which the witness comes. That is why we are sort of splitting hairs with you.

You are entitled to a personal representative at this deposition, but observers are not entitled to be at the deposition.

So I have to ask you whether you are personally represented by Mr. Bolton or whether he is here to represent

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the Department.

(Witness conferring with Mr. Bolton.)

THE WITNESS: I am advised by Mr. Bolton that with respect to previous witnesses who have provided depositions to the committee, that representatives and counsel fro their Departments were present as personal and departmental representatives, and based upon that precedent, I would certainly designate John Bolton as my personal representative o those within the Department.

BY MS. NAUGHTON:

Q I understood your sentence except for the last phrase.

What do you mean "of those within the Department?"

A Well, of all the individuals within the Department that I think it would be appropriate for me to have present at this deposition, John Bolton is the individual.

So I am pleased to have him here as my personal representative as well as the Department representative.

Q So it is your understanding that Mr. Bolton is here as your personal counsel, as well as representing the Department of Justice; is that correct?

A Pam, the -- here is the pitch, okay. Let's go off the record.

(Discussion off the record.)

MS. NAUGHTON: Back on the record.

We are back on the record and let the record reflect that we had a discussion of this and in the meantime, two others came into the room.

Would you identify yourselves for the record.

MR. PARRY: Richard Parry, Associate Counsel with the Senate Committee.

MS. WESTBY: Tina Westby, Associate Staff, House Committee.

MS. NAUGHTON: As I explained off the record to Mr. Cooper, the rules of the House Committee permit personal counsel to appear with the witness, but do not allow people representing the agencies to appear as observers to the proceeding. This is for protection of the witness as well as protection for the committee's materials.

Therefore, Mr. Cooper, I would ask you again, are you personally represented at these proceedings?

THE WITNESS: Yes, and as I discussed off the record, I advised counsel that I have no intention of retaining private counsel in this matter, but based upon counsel's explanation of the understanding reached with the Department and of the purposes for which personal counsel are here, and are permitted to be present, that I recognize John Bolton to be here as my personal representative.

BY MS. NAUGHTON:

Q Okay. And do you wish these proceedings to remain confidential or do you waive attorney-client privilege?

A I waive attorney-client privilege. I have no wish that the proceedings be confidential.

MR. BOLTON: For the record, we do not necessarily accept either the committee's rules or the committee's interpretation of its rules as binding on the Executive Branch.

However, in the spirit of full cooperation, which we have displayed throughout the committee's investigation, we have determined, in agreement with the committee, to abide by the procedures that Ms. Naughton has previously stated.

BY MS. NAUGHTON:

Q Mr. Cooper, I am going to hand you -- this is a letter inviting you to appear at the committee hearing this week hopefully. The letter says that you will be advised as to when your testimony will be wanted. It is sort of a day-by-day thing in terms of how the committee progresses and when we will be needing you.

I envision right now Thursday afternoon perhaps that you will be testifying, but that is not etched in stone. It is sort of like a trial and things sometimes go more slowly than anticipated.

If you could block out Thursday and Friday on your calendar this week, we would appreciate it. It will be in the Russell Building on the Senate side on the third floor.

A Fine. I would be happy to do so.

MR. BOLTON: The letter is addressed to Hon. Charles J. Cooper with his title and address, dated June 19, 1987. I think the record should reflect that to my knowledge, no one in the Department has seen this before so we are receiving it at approximately 9:55 on June 22nd.

"The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition will resume its joint hearings on June 23, 1987.

"The members of the committee request your appearance before those joint hearings.

"You will be notified of the exact date and time your testimony is requested. If you have any questions concerning your appearance before the committees, please contact John Nields, the committee's Chief Counsel, at 225-7902.

"Thank you for your cooperation in this matter.

"With best wishes, I am sincerely yours, Lee H. Hamilton, Chairman."

BY MS. NAUGHTON:

Q Could you please tell us something about your background? Let's go through law school and then with jobs you have had since.

A I attended law school at the University of Alabama School of Law. I ~~have~~ had been an undergraduate at Alabama as well. I graduated in 1977 and from there accepted a clerkship with Judge Paul Roney of the Fifth Circuit Court of Appeals.

After my clerkship to Judge Roney, which lasted one year, one term of court, I clerked for Justice William H. Rehnquist of the Supreme Court and after that clerkship, I returned to the South to Atlanta, Georgia/ to practice law for two years in the law firm called Long and Aldridge.

At that time, it was Long, Aldridge, Heiner, Stevens & Sumner, where I worked as an associate in the litigation area of the firm in a general corporate commercial litigation practice.

In the summer of 1981, I joined the Department of Justice as a Special Assistant to Brad Reynolds in the Civil Rights Division.

I stayed in that position for a year or thereabouts and was promoted to Deputy Assistant Attorney General, and I served in that capacity in the Civil Rights Division for the next three years or thereabouts.

On November 13th, I think, 1985, I guess, I became the Assistant Attorney General for the Office of Legal Counsel, having been appointed by the President and confirmed by the Senate.

Q Thank you.

So since when have you been with the Department of Justice?

A In August, actually, of 1981. Not long after Mr. Reynolds was confirmed.

Q Now, concerning the Iran arms transaction, which is the subject of this committee's inquiry, did you have any knowledge of the shipments prior to, let's say, November 1st of 1986? Were you aware of any findings or that any shipments had taken place?

A No, I was not, unless by that time there had been news reports with which I was familiar, although I don't think that is the case either. But that would have been the only source of knowledge on my part.

Q So your involvement, I take it, became in November, on November 7, 1986; is that correct?

A That is correct.

Q Can you tell us what happened on November 7th, 1986, to bring your attention to this?

A On that day, the Department, the management level of the Department, was meeting out in the Virginia countryside at the Xerox conference facility. We were having a management retreat, so to speak. And I think it was on the 7th, we were there for a couple of days, but I think it was on the first day that we were there, and on the morning of the 7th, the Attorney General, when he had arrived from Washington, before we got started, pulled me to the side and advised me that the Iran arms controversy that had been at that point disclosed and discussed quite prominently in the press was something that would, in all likelihood, generate some work for me in my office, and that I should be alert to that fact, and he was just giving me a heads up.

But I think on that occasion, he suggested that I get in touch with Paul Thompson at the NSC, who was the General Counsel at the NSC at the time; in general to discuss this matter and to start developing some factual background.

Q When you spoke with the Attorney General, what were his legal concerns about the Iran arms shipment?

A He did not, to my recollection, identify any specific concerns. He just suggested that there would be some -- undoubtedly some legal work to be done in connection with this whole matter, and I think at that time he told me it was a very sensitive issue, a very sensitive matter and that it should be treated accordingly within my office, whatever it was that ensued with respect to my office. And that I should try to limit the individuals who worked with me directly on it, and to the extent I could limit the number of people working -- assisting me in any of the work that ensued, that would be advisable.

Q Did you discuss at that time --

A In fact, I think he expressed a preference that I try to keep the staffing on this down to one lawyer assisting me.

Q Did he suggest to you any particular individual?

A Oh, no. I don't think he would know the names of anyone in my office other than me and my deputies, probably.

Q Did you discuss any particular statute, the Arms Export Control Act, the Foreign Military Sales Act?

A No. There was no specific legal discussion, just the general heads up that legal work would be generated by this for my office.

Q Did the Attorney General at that time mention that he had participated in the finding in or around January of 1986?

A I don't think that he did.

Q Did he tell you anything about his prior knowledge; that is, his knowledge prior to November of 1986 about the Iranian arms transaction?

A No. This conversation was literally one that we had in the hall as individuals were filing into this meeting room, and it was extremely brief.

I mean, there just was no -- it wasn't a chat. He was just essentially giving me a heads up, as I said.

Q Now, you met with Paul Thompson, I believe, on November 12, 1986; is that correct?

A To the best of my recollection, and as well to the best of my recollection at the time, I did my chronology, with which you are acquainted, it was November 12th.

Q When did you actually write the chronology?

A Well, there is not a specific date, but it was -- the chronology actually kind of grew in that in going back over it other things would occur to me and I would interlineate them as well as the assistant who assisted me on wha now has become every phase of this Iran business, John McGinnis reviewed it as well and made interlineations and notations of his own.

But I would say that it was within a week of the Tuesday press conference, and I should think not long after that press conference, maybe a couple of days or so, that I sat down and searched my memory in order to create this chronology, knowing, I think, at that point that my participa tion in this matter on a from beginning-to-end basis would become of interest to others.

But as I say, the thing did kind of grow. There are ways to see the matters that were added after the initial drafting of the chronology, because that was in green, althou this may not show up on your copies of the chronology, but there are red and blue interlineations that were added after the green, the basic chronology was created.

Q When you refer then to the Tuesday press conference you mean the Attorney General's on November 25, 1986?

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A Yes.

Q Did anything transpire regarding your work between November 7 and November 12 when you met with Mr. Thompson?

A Yes. We kind of -- when I say we, I mean John McGinnis and I -- not long after I got back from the Xerox center, I asked John McGinnis to be prepared to assist me with respect to anything that came down the pike on this. And we were kind of rooting ~~and ourselves~~ around with only the informatio that we gleaned from the newspaper, which at that point was kind of rudimentary, but based upon the information that we could glean from the media, we started trying to identify statutes and Federal laws and what have you that would apply to the whole Iran thing.

I should say that John McGinnis pulled the laboring oar on that. He was the individual who was kind of searching around in the juris and lexis for statutes that govern arms sales to foreign countries particularly.

Q So by the time you went to speak to Commander Thompson, did you have in mind what some of the legal issues might be after speaking with Mr. McGinnis?

A I would say not really. To the extent that I did, it was the vaguest and broadest outlines. By that time, we might have discussed the Arms Export Control Act, which is pretty obvious in terms of its potential applicability anyway, and -- but I just don't remember having any specific conversations with John prior to the time I talked to Paul Thompson.

Q Did you discuss with Mr. McGinnis prior to the November 12th meeting, did you discuss with Mr. McGinnis that there had been a finding or the legal significance of a finding regarding these shipments?

A I don't think so. I don't think so. It is entirely possible that we did, but I just don't remember whether we had identified the National Security Act and Hughes-Ryan -- I am certain we had not focused particular attention on Hughes-Ryan, but --

MR. LEON: Did you know what a finding was?

THE WITNESS: No, the concept of a finding was quite foreign to me, certainly before November 7th, and it wasn't until some time after November 7th and it may well have been not until after my meeting with Thompson that the concept of a finding -- well, no, let me take that back, because when I went there, I knew I was going to see a finding and I had had conversations over the telephone or at least a conversation over the telephone with Paul Thompson, and so prior to the time I actually sat down with Thompson on the 12th, I had become acquainted at least conceptually with a finding and the fact that it is required under certain statute governing this stuff, Hughes-Ryan, in particular.

BY MS. NAUGHTON:

Q And at that time prior to November 12th, did you know that there were any 1985 shipments?

A No, that we didn't know until we received a chronology, a draft chronology from the NSC from Paul Thompson some time -- November 17th -- at least by our best reckoning, November 17th. But we were entirely unaware that any pre-finding arms activity of any kind had taken place until we received that chronology.

Q Had you tasked Mr. McGinnis with writing you a memorandum of statutes that could be involved?

A Well, I tasked him with preparing a memorandum not to me really, but with preparing a draft that would be from me or the office to the Attorney General that would identify in a general way applicable statutes and examine those statutes against the facts as we knew them, which was not certainly authoritatively, but it was that kind of memo that was contemplated, and that he was at that time preparing.

Q I assume you went over to the Old Executive Office Building by the White House on November 12; is that correct?

A It was the White House, Poindexter's office was in the West Wing, and Paul Thompson had a little very compact office right next to his, Poindexter's.

Q Did you meet with Mr. Poindexter?

A Yes, I did. I met him and had some general conversation in his office with Paul present for what couldn' have been more than ten minutes or thereabouts.

You know, it was a brief conversation. The purpose of which seemed more for me and Poindexter simply to make each other's acquaintance.

I had never met the man prior to that and he undoubtedly didn't know who the heck I was, never heard of me. But we exchanged pleasantries and in the most general way our conversation touched, I guess, on the Iran arms transfer, but in terms of developing actual facts or background on it, Poindexter was going to leave that to Paul Thompson and I subsequent to my meeting with him.

Q To the best of your recollection, what did Admiral Poindexter say to you?

A I don't have any specific recollection of anything that he said to me. I only have a general recollection that it was just general chitchat really and just getting acquainte with one another.

I just can't recall any specific points in our conversation.

Q So Admiral Poindexter did not tell you about any specific shipments of arms to Iran and he did not discuss with you any particular legal problems that he wanted you to look into; is that correct?

A That is correct to the best of my recollection, yes.

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and my recollection is that that did not take place.

Q Okay.

What was his understanding as it may have been expressed to you that he understood you were to do? Did you discuss that -- in other words, your role in this?

A Well, I am certain -- I mean, my reason for being there was to discern from people who were knowledgeable about what the facts were, what the facts were so that I could examine them for legal issues.

I was there as the Assistant Attorney General for the Office of Legal Counsel, and the very nature of my office and my position as such that we examine legal issues, and do so authoritatively for the Executive Branch.

So it was quite obvious that I was there for that purpose.

I don't, however, recall any specific legal issues having been raised in my conversation with Poindexter, no citations to particular statutes or anything of that nature.

Q So to the best of your recollection, the only thing Poindexter basically said to you is, "Hi, how are you and Paul Thompson will tell you the facts?"

A Well, I just don't have any recollection even that he said those things, although I do know that -- and I do have a firm recollection that Paul Thompson was to provide me with the information that they could and had been able to develop up until that time and, therefore, could provide me. That was not -- I was not there to debrief Poindexter on facts.

Q Did Admiral Poindexter say that you would get all the facts?

A Oh, well, I don't recall him making any specific -- any specific point of that, but that was -- there was no indication to the contrary.

I mean, the whole thing was qu[illegible] obviously open and they were there to try to provide me, and they assured me that I was going to be provided with all the facts that they could probably develop.

Q I guess I will ask the question in the negative. Did he tell Mr. Thompson or you that there were some facts that you couldn't know about?

A No. ~~No.~~ I can say that with great confidence.

MR. LEON: Let me ask one question.

Was it your sense that you were there because Admiral Poindexter wanted a review of the Department of Justice of potential legal problems or because the Attorney General was asked to do that at the behest of somebody else other than Admiral Poindexter?

THE WITNESS: It was not the latter. I had no understanding or evidence supporting an understanding that someone other than Poindexter and the AG were interested in having the -- any legal issues that were raised by the facts that were gathered examined.

BY MS. NAUGHTON:

Q Did either Admiral Poindexter or Mr. Thompson tell you that other legal departments of other agencies or White House counsel were also going to work on the legal issues?

A No, though your question brings to mind the point that it may well be that in my conversation with Poindexter, and certainly in my conversation with Thompson later, the point was made that the finding itself had been reviewed for legality and passed on by the AG, and I think Stan Sporkin was cited at that time as well, though I am less certain of that.

Q Was there any discussion of, let's say, White House counsel being involved in studying the legal issues?

A None at all.

Q Was there any discussion of the State Department Legal Advisor's Office being consulted on legal issues?

A Certainly not that I recall, although the State Department did provide the analysis on which some of the authority was based for the finding and for the arms transfer activities. But that had been under a previous regime in 1981 when Davis Robinson had analyzed a similar circumstance, and that analysis explicitly provided the foundation for some of the legal conclusions that were reached with respect to the finding. And I think that there was conversation between Paul Thompson and I on that point as well.

Q But no discussion of contemporaneous legal review?

A No, not that I recall.

Q You then went with Commander Thompson or stayed in his office or -- at the White House; is that correct?

A Yes.

Q Did he produce for you the finding?

A He did.

Q Which finding was this?

A It was a finding dated January 17th, and along with the finding was a cover memorandum or a memorandum which elongated on the basis and purposes of the Iranian initiative.

Q Was there writing in blue ink on this one, do you recall?

A On the finding?

Q Yes.

A No, I don't recall that.

Q Were there any handwritten insertions in the finding?

A I don't recall having noted any, and when you say blue ink, I don't remember what color ink the signature was in, but it was my impression as I looked at this document that it was an original, and that it had the original ink markings on it, and it may well be that it was blue, but I don't recall.

Q But other than the signature, I am talking about insertions or handwriting in the text itself -- you don't recall seeing any of that in the finding?

A Well, actually there was a notation of some kind to that -- I understood to have been a notation made by John Poindexter.

However, I don't recall what it said -- something to the effect that the President has been briefed on this or something, But I can't recall what it said.

Q Now, what was the substance of your conversation with Commander Thompson regarding the finding? What did he tell you about it?

A I don't have a specific recollection of him making any particular points with respect to the finding itself. He gave it to me, he had it in an envelope in some hidden place in his desk and he produced it to me along with the cover memo and I sat there and I read the finding and the cover memo for whatever length of time it took me to read it, and I think our -- you know, the only parts of our conversation I have a specific recollection of didn't relate particularly to the finding.

Q What legal issues did you discuss with Commander Thompson?

A I don't have a specific recollection of discussing any legal issues with him at that time. I just recall having discussed the background of the initiative and the facts leading up to and justifying the initiative.

Q If we could stop there for a minute. Rather than ask a general question to describe the conversation, tell me what Thompson told you to the best of your recollection.

A I recall him advising me that Ledeen has a lot of the factual background of this, he mentioned Ledeen particularly, and that somebody should talk to him.

I recall him suggesting to me that they were in the process of developing a chronology of all the facts that they could gather on implementation of the finding and the whole Iranian initiative.

I recall him making some points about the fact that the AG had been in on the legal review of the finding when it was proposed.

Q What did he say about it?

A That the Attorney General had examined the legal authority for the finding and had concluded it was authorized. I don't recall there having been any specific discussion about the Attorney General's statutory analysis or anything that the Attorney General specifically had said, just the conclusory point that this was something that had been examined by him.

I do think he referenced to Sporkin, and the fact that Sporkin had done some legal background research on

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authority to do the things ordered in the finding.

I recall him saying that Israel had approached the United States with the idea or at least that was his understanding -- I also got the impression that he had no personal knowledge of the facts, but that the facts that were being gathered for this chronology were being gathered by people who did have personal knowledge, and principally that was North, in conjunction with McFarlane.

But he mentioned that apparently Israel had approached us, that it was their understanding, NSC's understanding, that -- or belief, suspicion, that Israel had engaged in arms transfers to Iran prior to the time that they approached us, and, in fact, he suggested there was some intelligence to the effect that Israel had sent arms in [redacted]

I do not presently recall any other specific snippets of our conversation, but those are the ones that occur to me at the moment.

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BY MS. NAUGHTON:

Q Did you have any particular legal points in mind regarding the issues involved that you asked Thompson about?

A No. Again my purpose for going over there, and I had been nagging Paul prior to the time that I went over there for the purpose of obtaining information, authoritative facts relating to the Iran initiative. The truth is, I was quite disappointed when I got there and there was no chronology ~~[illegible]~~ prepared at that moment that I could have and take back with me.

The only useful thing that I accomplished on that visit was to read the finding and the background memorandum and that was very useful, the background memorandum was, because it alerted me to the William French Smith letter that endorsed the earlier State Department analysis which was identified in the memo and was acknowledged by Poindexter to have been the legal foundation for the finding.

So I knew if it was a Smith letter that I could dig that out at Justice and at least get on the legal trail through that means, but that was the only thing useful to come up.

You guys have seen the finding and you have seen the memorandum that covered it, so you know essentially

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everything that I knew when I left. I didn't know much more than that.

Q Did you discuss with Thompson the issue of timely notice?

A No. I feel confident that I didn't discuss that issue with him.

Q How about any discussion of congressional notification?

A Only that it was -- if there was any discussion of it, it was that it is taking place.

Q Contemporaneously, you mean.

A Yes. Yes.

Q Did he say when they started the work on the chronology? Did he say we have been working on it for a week, a day, or an hour?

A Well, no. My impression was that they had been working on it for a -- certainly longer than an hour or a day, but I couldn't tell you with certainty exactly how long. Perhaps in the neighborhood of a week. It was some period of time that was significant. But he did not have anything that he could share with me at that time.

Q Did he mention who else was involved in drafting the chronology other than Colonel North, Admiral Poindexter and Mr. McFarlane?

A Actually he didn't -- I can't state with certainty that he mentioned McFarlane but I can state with some confidence that he didn't mention Poindexter as being part of the group that was developing the chronology.

I can also state with confidence that he did mention North but if he mentioned McFarlane or not -- I think he probably did, but I don't have a specific recollection of it.

Q Had you ever met Oliver North?

A No, I don't think I had. I don't think I had ever met North.

Q Have you since November 12th?

A Oh, yes. Yes, I have met him since then. Yes.

Q Why don't we digress a minute and you tell me about that.

A I met him in what I think was my first acquaintance at all with him on November 20.

Q Okay. This is the drafting session?

A Well, I wouldn't -- that is not what I would call it, but it was a session in Poindexter's office.

Q Why don't we forget that, then, for the moment. We will go on chronologically.

Did Commander Thompson ask anything of you? In other words, in drafting this legal memo, did he wish to be kept informed or anything?

A No, I don't think so.

Q When you returned to the Department of Justice, then did you discuss this with Mr. McGinnis?

A I am sure that I did at some point and it would have been some point prior to the November -- prior to the end of the following day and I suspect I discussed it with him straight away.

I do know that as soon as I got back to the Department of Justice, I undertook a search for the William French Smith 1981 opinion. So I am virtually certain that as soon as I got back, I asked John McGinnis to run a search of our own files which is where I expected to find this. He did, and was unsuccessful. So I went and talked to Mary Lawton about it and she dug it out. We did have it, and relied upon it for the November 13 general legal memo that we sent to the AG.

Q Did you discuss with Mary Lawton the issue of congressional notification in regards to this Smith letter?

A I don't think I did. I don't think I focused on that with her.

Q In other words, you were not relying on the Smith opinion to say that Congress needed to be notified?

A No.

MR. BOLTON: Say when, the November 13 memo or generally, or what?

BY MS. NAUGHTON:

Q Let's start with the November 13 memo.

A Actually I didn't rely on that at any time, November 13 or any time thereafter, for any analysis regarding timely notification.

It is my recollection, though hazy, it is my recollection that that memorandum suggested that the President should notify Congress with regard to that particular episode and I have no qualms at all with that conclusion. But the thing that the memo was important for was the proposition that arms could be exported from the United States in connection with an intelligence activity and, therefore, freed of the restraints of the Arms Export Control Act, that when the arms -- when the President has available to him at least two authorities that support the transfer of arms to other countries, the Arms Export Control Act or the National Security Act if it's in connection with an intelligence activity, which this seemed clearly to be, so it was that proposition that the Smith opinion and the related State Department opinion were relevant and important to us on.

Q So it is your understanding if the option of using the National Security Act were taken to sell the arms, it still would require a finding and congressional notification?

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A Oh, yes. In fact, only if it was done under the National Security Act and the CIA was used would a finding be necessary. But the memo discussed that alternative source of authority for transferring the arms, a finding wouldn't be necessary if the Arms Export Control Act in and of itself were used to transfer arms.

Q Now, on November 13 did Mr. McGinnis produce for you a memoranda talking about these legal issues we just discussed?

A 'He did.

Q Do you recall when in the day he produced that for you?

A It was late afternoon on into the evening that he and I worked on that or at least that is the point in time that sticks in my mind. It may well be that I am sure we had discussed prior to the time we actually were examining his draft, the legal issues and analysis that was going into the draft. But I recall it was very hectic that evening because I was finalizing a lengthy speech and lecture to be given at the University of Chicago on Saturday -- well, I'm not sure when November 13 was.

MR. LEON: Thursday.

THE WITNESS: It's a Thursday, okay. That is helpful.

On Saturday -- maybe it was Friday, but I was under pressure to complete a very lengthy lecture and article on consent decrees and was working with another lawyer on that, and they were kind of coming in and out in an alternative fashion. But John and I worked on this late into the night.

I tried to also keep an eye on the President's speech to the nation which took place that night and from which we got additional information.

BY MS. NAUGHTON:

Q Now, if we can begin with some of the documents, and if I could have the reporter mark this as CJC-1.

(Exhibit No. CJC-1 was marked for identification.)

BY MS. NAUGHTON:

Q This is, Mr. Cooper, is it not, your handwritten chronology that we discussed earlier?

A That is what it appears to be. It has a first page that really isn't part of the chronology but was certainly the first page on the legal pad of which the chronology begins on the second page, so this does appear to be my chronology.

MR. BOLTON: For the record, it bears document production 7694 through 7700.

MS. NAUGHTON: And if the reporter could mark CJC-2.

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(Exhibit No. CJC-2 was marked for identification.)

BY MS. NAUGHTON:

Q Referring to what the reporter has marked CJC No. 2, is that the legal memorandum Mr. McGinnis furnished to you?

A This is the legal memorandum that I'm referring to, earlier in our conversation, I mean. He did provide me a draft of it and we worked on it and produced it together.

MR. BOLTON: This document bears document production Nos. 330112 -- that is the only document production number that it has. The other pages being numbered only consecutively as pages of the memorandum. It's classified "Secret."

MR. LEON: It also can be located at Bates J-7634.

BY MS. NAUGHTON:

Q I put a document in front of you that I don't want marked as an exhibit yet unless we can identify it. There are some notes at the top of the page from Paul Thompson. Are these your notes taken of the Thompson meeting or is this some other topic?

A These are my notes. They are not taken from the meeting that I had with Paul on or about November 12.

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It is a single page and it references from Paul Thompson and then under a line it references to Dave CIA GC, that is Dave Doherty. These notes were taken at a meeting I assume -- am I answering the questions you are not interested in?

Q If you can just give me an approximate date of when the notes were taken. We will take it chronologically.

A My approximate date would be a very, very approximate date and I would really only be able to give you a range because I'll be darned if I can remember what the date was of the meeting, though I remember the setting and the context of the meeting.

I don't remember what the date was. I don't have a good sense at all for when it was, but it is something that we don't have to rely upon my memory alone on, because Paul Thompson was there, Dave Doherty was there, Peter Wallison was there, I think Larry Garrett was there, and it was in Peter's office and I just don't remember whether this was before or after, Ma'am, even the weekend fact finding.

Q I may be able to help you.

A I hope you can.

MR. LEON: Is there a number on those notes?

MS. NAUGHTON: No.

MR. BOLTON: I think it would be appropriate to mark as an exhibit.

MS. NAUGHTON: We will when we get to it. We will go chronologically.

MR. BOLTON: You just passed it.

MS. NAUGHTON: No, we haven't.

MR. BOLTON: I want to be sure there is no ambiguity as to which piece of paper Mr. Cooper is looking at. If you are going to mark it eventually, why not mark it now?

MS. NAUGHTON: We will go chronologically.

Now, as to --

MR. BOLTON: Excuse me, then.

MR. LEON: Can we identify for the record what it says?

MR. BOLTON: I think that is a good idea. The top line says "from Paul Thompson" and the last notation reads, "The arms transferred were not among the arms suspended per ex ord (plus which had been previously approved by Cong)." And the sign for "therefore," a triangle of dots, "could have been sent by Pres. if ex ord revoked (even implicitly)."

This is all in your handwriting?

THE WITNESS: Yes, it is my handwriting. It is all mine.

BY MS. NAUGHTON:

Q Getting back to November 13, you received the memo from Mr. McGinnis. Did you take it --

MR. BOLTON: I think he said he received a draft of a memo from Mr. McGinnis.

BY MS. NAUGHTON:

Q Did you receive a copy of a memo from Mr. McGinnis?

A On November 13?

Q Yes.

A I did receive a draft of a memorandum as I had requested from Mr. McGinnis, yes, November 13.

Q And did you show that to the Attorney General?

A I did. It was delivered to him the following day.

Q That would be November 14?

A Yes.

Q Did you take it personally?

A No, I don't think so. I don't recall having delivered it to him personally. I don't recall having done so.

Q How do you know then it was delivered to him on the 14th?

A It was -- I left instructions that it should be provided to the Attorney General in the normal course of your -- I don't give all our legal opinions that we do for the Attorney General to him personally. We have a regular delivery routine and I don't even know what it is. It just, here it is and it goes.

Q Okay. Between November 7 and November 14, then, did you discuss any of the legal issues or what you and Mr. McGinnis had begun to find out with the Attorney General?

A It is entirely possible. It is entirely possible and I might even say probable, but I don't have a specific recollection of a meeting in which -- no, I take that back. I take it back because I do recall on the question of . timely notification, providing to the Attorney General the signing statement from Carter as well as an excerpt from the legislative history between Javits and Huddleston, which of course are parts -- reflected in the legal opinions that we have done on this question.

I remember providing him with those particular excerpts when he was having lunch in the AG's dining room and this would have been prior to November 13 when we finalized or finalized the legal memorandum to which we have been making reference.

It seems entirely likely and probable that we had other conversations of some kind or another that related to legal issues. If we did, they were very brief and fleeting chats because I don't remember having sat down and walked him through anything. So that is the best state of my recollection.

Q Do you recall specifically discussing with him -- this is in this time frame now, before the 14th -- the importance of a finding regarding the activity of the arms sales?

A No. No. I don't recall having had that kind of a conversation.

Q Of what you recall of your conversations --

A The time frame we are talking about now I take it is November 13 and prior?

Q Yes, from November 7 until the end of the day, the 13th.

A I don't recall having had any conversation that focused particularly on the importance of a finding.

Q Do you recall what legal issues you did dicuss with him?

A Well, I just recalled the timely notification issue but beyond that, I don't have a specific recollection of having discussed another particularly legal issue, though, as I say, it is probable that I did.

Q Of the documents that you gave him, you said the legislative history and the Smith letter, what legal issues were involved in those documents that you gave him?

MR. BOLTON: I think we have something confused here. I think what Mr. Cooper testified before was that he gave an extract from the legislative history and a copy of President Carter's signing statement. You are getting back into the Smith letter. Do you mean to lump those together?

MS. NAUGHTON: Let me rephrase the question.

BY MS. NAUGHTON:

Q When you gave him the documents over the lunch period on whatever day you did that, do you recall what legal issues were involved in those documents?

A Well, I recall them as having had relevance to only one legal issue or at least our having focused on them for their relevance to one legal issue, and that was the question whether the President has the authority to not provide prior notice of a significant anticipated intelligence activity under the National Security Act, and it was certainly the Attorney General's view, as is reflected by the fact, if nothing else, that he passed on approvingly the finding itself which says "don't provide prior notice," it was certainly his view that prior notice was not statutorily required and the statute itself says what it says but in addition to that, I think the legislative history, the Huddleston-Javits debate and the Carter signing statement were relevant to it. I know he didn't

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have them so I had provided them to him.

I am also now recalling that at some point, and I think it may well be that it was prior to the November 13 legal opinion, I provided him with a slender notebook like this, only more slender, three-ring binder, that had certain relevant statutes, statutes that we had been able to identify at that point as bearing on arms sales. I feel certain that it had Hughes-Ryan in it, National Security Act, Arms Export Control Act, at a minimum those. Perhaps the Export Administration Act. In other words, a notebook much like this which contained certain statutes in it.

It might well be -- now I think it was I provided that to him prior to November 13.

Q That notebook would have included simply copies of the statutes and no legal analysis?

A Right. Copies of the statutes with an index. They were tabbed.

Q Did you discuss with him prior to November 14 your research indicating that the President could waive the Arms Export Control Act?

A It seems likely that we discussed the Smith opinion, but I'll be darned if I can remember a specific instance. It would have had to have occurred, I should think, I should think it would have had to occur between November 12 if that is when I met with Paul Thompson, and

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the 14th because the William French -- I don't think I had any knowledge of the Smith opinion until its existence was disclosed in the memo covering the finding. I don't think that the AG and I had conversation about its existence or his reliance on it or anything like that. But when I did see it in there, I dug it out and -- but I don't recall whether I then had conversations with the AG about it particularly but it is entirely possible that I did.

Q What was your understanding during that period of time about the, that the President could waive the Arms Export Control Act? What sort of waiver was contemplated?

MR. BOLTON: Contemplated by whom, and -- are you asking --

MS. NAUGHTON: I have not finished my question, counsel. If you let me finish the question.

MR. BOLTON: Fine. Please finish your question.

MS. NAUGHTON: I will start again.

BY MS. NAUGHTON:

Q During that period of time, what was your understanding the Presidential waiver constituted? In other words, was this an express waiver that you were contemplating had to occur to waive the Arms Export Control Act or was this an implied waiver, or did you have any of that in mind when you discussed it with the Attorney General?

MR. BOLTON: I will raise the same question: Are

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you referring generally to authority under the statute or are you asking about a specific instance?

MS. NAUGHTON: I am asking about his state of mind at the time he discussed this with the Attorney General.

MR. BOLTON: I will repeat my question. Generally under the statute or as to any specific instance?

MS. NAUGHTON: I don't understand your objection.

MR. BOLTON: Are you asking something in connection with the January, '86, finding or are you asking his interpretation of the statute generally?

MS. NAUGHTON: Both.

MR. BOLTON: If you can understand that, you are more than welcome to try and answer it.

THE WITNESS: Well, actually I think the premise of the question to the extent it relies upon a waiver theory is not something that I would accept.

I don't think I have ever analyzed this in the context of the President or anyone else waiving the applicability of the Arms Export Control Act. Rather, my conception, and I think the conception that is displayed in the analysis in our opinions, is that there are two alternative statutes, at least two, and there may be others, but at a minimum there are two statutes under which this country may transfer arms to other countries and other persons. One is the Arms Export Control Act, and when that is used, its restrictions must be complied with. One is the National Security Act, and when that is used, its restrictions must be complied with but it is not a question of waiving this one; it is just a question of this one being applicable and this one not.

The National Security Act is applicable and governs arms transfers that are made in conjunction with intelligence activities. Arms Export Control Act governs probably everything else but it doesn't govern those kinds of arms transfers.

So it is not really a question of waiver; it is just a question of which one is applicable. I think that was the analysis in '81 and that is certainly our analysis now.

BY MS. NAUGHTON:

Q So your understanding during this time period was that if the President opted to sell the arms for intelligence purposes, that the Arms Export Control Act would not apply?

A Yes. If he made the decision that in connection with this intelligence activity, this covert operation which is in the national interest or whatever, we are going to transfer some arms to some country or group that we support and want to help, then Arms Export Control doesn't apply, National Security Act applies. It contains some requirements that are then invoked, but the Arms Export Control Act requirements are not applicable under those circumstances.

Q And those requirements under the National Security Act is the finding is made and congressional notification is made of the covert activity at some point.

A The finding would only be necessary if the CIA was going to be involved. The finding requirement only applies to the CIA by virtue of Hughes-Ryan but the reporting requirements apply no matter who is involved. So even if the CIA is not involved and therefore no finding is necessary, the reporting requirements under the Natinal Security Act are applicable.

Q Now, after the Attorney General was provided the memo drafted by Mr. McGinnis on or about November 14, did you discuss its contents with him?

MR. BOLTON: Excuse me.

THE WITNESS: There seems to be an implicit assumption in that question and some of your others that McGinnis was virtually the sole author of this memo and to the extent that is the case, I want to negative that.

John did provide a draft to me and it was a very thorough draft and one that I did not find much to, if anything, to quarrel with, but I did review it thoroughly and found it entirely sound and ultimately signed it and accepted responsibility for it.

So I just want to make no mistake about that and I apologize, I have forgotten your question.

BY MS. NAUGHTON:

Q I didn't mean to convey that. I am only referring to it as the McGinnis memo by virtue of referring it to somebody. You can call it Exhibit 2 if you like.

A Let's call it the November 13 opinion?

Q It doesn't have a date on it, is the problem.

A That is true. That is right, it doesn't, although one can date it by internal reference.

Q Okay.

A There are internal references that date it, but you are right.

MR. LEON: It refers to the President's speech that day.

THE WITNESS: That is right, and we were literally working on it as the President was speaking and finalized it after he concluded.

MR. BOLTON: To the extent it can be referred to as anybody's memorandum, it's Mr. Cooper's. He signed as Assistant Attorney General in charge of the legal office of the Department of Justice, as is customary.

MS. NAUGHTON: Counsel, are you testifying?

MR. BOLTON: No, I am clarifying the record.

MS. NAUGHTON: I thought Mr. Cooper did that fine.

MR. BOLTON: I am sure he did.

BY MS. NAUGHTON:

Q As to Exhibit 2, did you discuss that with the Attorney General?

A I don't recall having a specific conversation with the Attorney General about that memorandum, but we did discuss at various times the various legal issues and analyses that are embraced by that memorandum. But I don't remember having sat down and discussed, you know, gone over the memorandum. We certainly didn't do it prior to the time I gave it to him.

Q So he didn't call you in, in other words, for a meeting to specifically discuss the memo?

A I don't recall any such meeting, no.

Q Moving on, then, to when you received the draft chronology from the White House on or about November 17, 1986.

A Yes. That is our best reckoning for when we got it and we do have and did receive from the NSC a chronology dated the 17th. I think that is our principal reason for concluding that we got it on the 17th.

Q As you may have heard from testimony in the public session of the hearings, there have been several chronologies prepared by the National Security Council. I would like to go through some of them with you and ask you which ones you had seen and which ones you had not seen.

If the reporter could please mark this as CJC No. 3.

(Exhibit No. CJC-3 was marked for identification.)

MR. BOLTON: While Mr. Cooper is reviewing the documents, let me note in the document, the first page bears document production 330081, and it contains several redactions on its various pages and has several handwritten notations and markings on some of the pages.

BY MS. NAUGHTON:

Q Mr. Cooper, I direct your attention to the second page, although they are not numbered. Referring to the second full paragraph of the page, reads, "In November, 1985, as the next step in the operation, the NSC arranged for Israel to send 18 [redacted] Hawk missiles to Iran."

Then it goes on to explain how the missiles were rejected by the Iranians.

Do you recall ever seeing this document before?

A I have never seen this document before until this moment.

Q All right. Fine. Thank you.

MS. NAUGHTON: I would ask the reporter to mark this next document as CJC No. 4.

(Exhibit No. CJC-4 was
marked for identification.)

MR. BOLTON: While Mr. Cooper is reviewing this document, let me note that the front page bears document production No. N-8349 and it is numbered consecutively throughout ending with N-8354.

This document also contains redactions, some handwritten notations and some marks, not all of which are legible.

THE WITNESS: I don't believe that I have ever seen this document.

BY MS. NAUGHTON:

Q And that is the chronology dated November 13, 1986, is that correct?

A That is what it purports to be. It does contain similarities to other documents that I've seen which are subsequently dated chronologies from the NSC, but I do not believe I have ever seen this document before this moment.

Q Calling your attention, Mr. Cooper, to the third page of that document, the second paragraph starting with "throughout the remainder of 1985, the U.S. Government maintained contact with the Iranian expatriate. A number of meetings were conducted" -- and so on. It skips then to

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"In December, 1985, the National Security Adviser met with the Israeli official and the Iranian contact to make clear the nature of our interest in the dialogue with Iran." It goes on from there.

Do you see that portion?

A Yes.

Q Do you see anything on that page -- after all, this is a chronology -- that mentions the shipment of 18 Hawk missiles to Iran in or about November, 1985?

MR. BOLTON: I'm going to object to that question. The page obviously speaks for itself.

If you want Mr. Cooper to go through and read it and answer when what is obvious to anybody who can read it as well, that is fine.

MS. NAUGHTON: Fine.

MR. BOLTON: I am just objecting to the question as to form in case there is a subsequent proceeding where that might be pertinent, Ms. Naughton.

BY MS. NAUGHTON:

Q Can you answer the question?

A I certainly do not see a reference on this page to November transfers of arms of any kind, including Hawks.

Q Okay. Thank you.

If I could get the reporter to mark this next document as No. CJC 5, reference, N-8337.

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(Exhibit No. CJC-5 was marked for identification.)

BY MS. NAUGHTON:

Q Do you recall receiving a copy of this chronology, Mr. Cooper, while you were at the White House?

A Well, I recall receiving and know that we received -- because it is in our documents and we have produced them to you -- a chronology from the NSC that is dated 11/17/86. I don't recall whether it is 2000 hours maximum version or whether or not this is it. There are large black excisions in the document and I did not receive any document that had such markings as this, and I really don't recall having received a document that had what looked to be as many interlineations and certainly didn't receive one that had "Top Secret" crossed out, and unclassified.

Q For the record, Mr. Cooper, this document is what we can use in public session. It has been unclassified by the White House and that is why you see the markings out and deletions.

A I see.

Q With that under -- because that will be the ones we will use in your public testimony. If you could please look at portions that are not redacted and see whether or not that is the copy of the chronology which

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you received.

MR. BOLTON: For purposes of clarity here, the document noted on the first page, N-8337 and is consecutively numbered ending on N-8348.

THE WITNESS: I don't resist in the least that this document was provided, but as I look at it, my recollection of the November 17 document, and I did not study it closely, I frankly don't think I ever read it all the way through, but I don't recall having received a document that was quite as rough as this one is, but you people will be able to tell me whether I did because we produced to you the document that we received and I am happy to compare it to the one that we have. But if this is it, then fine, this is it. I just don't know.

BY MS. NAUGHTON:

Q Okay. Do you recall being interviewed earlier by Mr. Nields and myself and Mr. Leon and others?

A Oh, yes.

Q During that interview, do you recall having your direction specifically brought to page 4 of this document, the N-8340 document, production number -- excuse me, page 5, and the second paragraph that starts, "In late November, 1985, the Israelis, responding to urgent entreaties from the Iranians, provided 18 basic Hawk missiles to Iran in order to improve their static defenses

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around Tehran. The Israeli delivery of Hawk missiles raised U.S. concerns that we could well be creating misunderstandings in Tehran and thereby jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. These missiles were subsequently returned to Israel in February, 1986, with U.S. assistance."

Do you recall reading that particular paragraph on or about November 17, '86, when you were doing your research?

A I do recall having read that paragraph or perhaps the paragraph like that, or the corresponding paragraph in the November 20 chronology that we also received from NSC. I can't tell you that I recall having read this specific paragraph, but these words and sentences and information to that effect, I definitely did read, yes.

Q Do you recall then that on November 17 or thereabouts when you received the first chronology is the first you learned about a November, '85, shipment of Hawk missiles?

A Yes, absolutely.

Q And would it have been from the chronology?

A Oh, yes.

Q No one told you about it?

A John McGinnis told me about it, but it was from

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the chronology that he learned it. He examined the chronology and advised me straight away that the September and November events were -- which were news to us -- were portrayed in the chronology.

At that point, I was preparing for what was then my first presentation to the President on the question of Federalism and I had other things on my mind, but John was, John did review this as soon as it came in.

Q If I could turn your attention to page 4, then, since you discussed the September shipment, the second paragraph on page 4 reads as follows: "In September of 1985, the Israelis advised that they were close to achieving a breakthrough in their contact with Iran and would proceed unless we objected. It is important to note that U.S. had long been aware of Israeli efforts to maintain discrete contact with Iran and to provide our grant with assistance in its war with Iraq."

The next paragraph goes on to explain, "On August 22, 1985, the U.S., through the U.S. citizen intermediary, acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. We were subsequently informed that the delivery had taken place at the end of August, although we were not aware of the shipment at the time it was made."

Do you recall reading that section in the chronology which you saw on November 17?

A I do not recall that specifically. As a matter of fact, my recollection of the September, what I call and have always called, the September transfer of 508 TOWs was that the U.S. learned of that in September, but that it had occurred in, allegedly in August. I don't have a specific recollection of having read this.

Q In the third paragraph it states, "We were subsequently informed that the delivery had taken place at the end of August, although we were not aware of the shipment at the time it was made."

Is that consistent with your recollection of what you understood the September transaction to be about?

A Yes, that is much more consistent, though that is not precise. I do have a pretty vivid recollection that the time of us, of the U.S. being informed or learning of the September shipment -- of what I call the September shipment, was in September and not in August, and so of course it wasn't too long into this that we discovered the September shipment was in fact a September shipment, unless of course you all have better information than that.

But this better represents the state of my knowledge now and to my recollection at all times.

Q When Mr. McGinnis brought this information from the chronology to your attention, what did you discuss regarding legal issues that these shipments presented?

A Well, that was our concern obviously, that these transfers, if they in fact took place, took place before a finding.

Now, our concern wasn't -- our concerns were twofold. There was no finding so to the extent the CIA played any role in either of these or at least to the extent that appropriated funds were used by the CIA, then we had a legal problem; or at least on the face of it, a legal issue was raised, and we knew -- and I suspect we knew from this document, this was the only document we had dealing with it -- no, at that time I guess we had no idea that the CIA had been in any way involved in the November shipment and our concerns did not focus on the November shipment at that point, but rather, the September shipment because the November shipment, according to this portrayal, had been canceled out. The impression that was created was that the United States Government was upset by the transfer of these Hawks and that through means that we either brought about or encouraged and assisted the arms that were transferred were returned so we concluded that if there was some kind of a violation, Arms Export Control Act violation, it was not a problem that anyone is going to focus on because the arms were returned.

We did focus, however, on the September shipment of 508 TOWs for which there was no suggestion that the arms had been returned and on Arms Export Control Act problems because there was no information suggesting that that transfer from Israel to Iran had been a part of any kind of covert operation or intelligence activity that would bring it within the National Security Act, so we realized that under the Arms Export Control Act, Israel had apparently violated the restraints that that Act places upon retransfers of U.S. military munitions.

Q All right.

A And we also were acquainted with the fact and the most serious concern to us was the fact that the Arms Export Control Act places certain restrictions and reporting requirements upon the President. So that was the focus of our concern, of course, was whether or not this event could be used to criticize the President or suggest that something illegal had happened that the President was responsible for.

Q Now, did you discuss at this time the issue of replenishment, in other words, whether the United States government had promised replenishment to Israel if it sold the TOWs?

A I don't remember if we discussed it. It wasn't

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long that we discussed that but I don't recall having discussed it particularly on the 17th, but that analysis emerged not long after we began examining these pre-finding events.

Q Were there any other legal issues that caused you concern? You have expressed the two. Were there any others at that point that you wanted to focus on?

A I don't recall any. We looked at the Foreign Assistance Act, which also is related to arms purchases by foreign countries. We wondered whether these TOWs were or had come to the Israelis through Arms Export Control Act sales and therefore were encumbered by Arms Export Control Act restraints, but certainly those -- I can't recall any other concerns, but if they were, they were secondary to the ones that I have outlined.

Q After you received the chronology and were aware of 1985 shipments, did you tell the Attorney General about them?

A Yes, I did, not long thereafter. I can't tell you the exact date. But, yes, I did advise him that we had new information that raised legal issues.

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BY MS. NAUGHTON:

Q Did you explain to them your two concerns?

A I am sure that I did whenever ~~htat~~ that conversation took place.

Q What did the Attorney General say?

A I don't recall any reaction, any particular -- in fact, I don't recall the conversation, though I know it happened. I don't have any specific recollection of our conversation when I advised him of the new information. I do, however, have a general recollection of advising him of that fact and have a general recollection of his being surprised.

Q That there were 1985 shipments?

A Yes.

Q Do you recall how you received that impression?

MR. BOLTON: You mean advise visually, verbally?

THE WITNESS: That is my -- he didn't say I am surprised or something like that. At least I don't recall him having articulated it. I just formed that impression from his reaction. It was clear that he hadnt known about that fact. I mean, like me -- this was his first evidence of any such pre-finding events involving arms having taken place.

BY MS. NAUGHTON:

Q Did he give you any instructions after that in terms of more fact gathering or more legal analysis?

A No, I don't recall him having given me any instructions. I feel confident that I advised him that I was examining the legal issues that are raised by these -- by this new information and that, you know, as soon as I had some preliminary conditions to share with him, I would. I mean, that is my -- that would be my normal operation and I don't recall there having been any deviation from that.

Q After learning of the 1985 shipments from the chronologies, did you contact Admiral Poindexter or Commander Thompson or Oliver North or anyone you thought might have some answers for you?

A Well, I am certain I did not contact Poindexter or North. It is entirely possible I talked to Thompson, but I don't recall having done so. I do not recall having done so.

Q On November 18th do you recall there being a meeting at the White House in Mr. Wallison's office?

A I don't have any recollection of that or at least of that date. I recall a meeting in Wallison's office and I referred to a meeting in that office earlier today, but I don't have a specific recollection of the date on which the meeting that I recall took place.

MS. NAUGHTON: Please mark this document CJC-6.

(Exhibit No. CJC-6 was marked for identification.)

BY MS. NAUGHTON:

Q If you could describe for the record what that document is, please?

A This document, which has been marked CJC-6, are

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handwritten notes that I recognize as my own. The notes were taken at a meeting that I attended in Peter Wallison's office and at which Paul Thompson, Dave ~~Dougherty~~ Doherty, at least, also attended.

My recollection is that Sofaer or a representative of his office probably attended, and Larry Garrett or a representative of his office probably also attended.

Q For the record, Judge Sofaer is head of the Legal Advisers Office at the Department of State?

A . Yes.

Q And Larry Garrett is general counsel --

Q General counsel at DOD. But I cannot say with certainty that either Sofaer or Garrett attended. But it is my best recallection that they did.

MR. LEON: What was ~~Dougherty's~~ Doherty's position at that time?

A He was general counsel at CIA and I think this was the first time I had ever met ~~Dougherty~~ Doherty, but that may not be accurate. The people who were assembled in that room are, except for ~~Dougherty~~ Doherty, are the advisers who form what we call the War Powers Group. Whenever there is an incident in the offing that involved use of American forces and therefore raises a question regarding applicability of the War Powers Resolution, the White House counsel will convene a meeting in his office of the White House ~~office,~~ counsel, OLC Assistant AG, DOD general counsel, and Department of State legal adviser, sometimes the NSC general counsel is there, and Paul Thompson was often at these as well.

But it is by reference to that group that I recall the players at this meeting, because it was a group that was the same group, at least that is my recollection, with the addition of Dave ~~Dougherty~~ Doherty.

BY MS. NAUGHTON:

Q What was the purpose of this meeting?

A Well -- the purpose of it, which appears generally from my notes and occurs generally in my recollection -- was to discuss generally the Iranian controversy that was swirling about the Administration at the time, and to figure out what was going on.

Q Did Mr. Wallison call the meeting?

A It seems entirely likely to me that he did. It was in his office and that was my understanding was that he was calling it.

Q What was your impression of how much Mr. Wallison knew about the Iranian arms sale?

A I don't recall having formed a particular impression of that fact at the time. I think everybody's impression was that they didn't know very much about the arms sale. Paul Thompason provided some, and probably the only factual data that was discussed -- well, not the only, because I note here that Dave ~~Dougherty~~ Doherty noted that Weinberger had looked at the legal issue back in January. But nobody really had a good factual understanding of what had taken place, and Wallison was no different.

Q What was the purpose of the meeting then?

MR. BOLTON: He has already answered that before, his answer was to discuss the Iran controversy, so I am going to object on the grounds of repetition. He can answer if he wishes.

THE WITNESS: I really can't supplement my note from my memory in terms of what was said at the meeting --

BY MS. NAUGHTON:

Q Why don't you go through your notes then and tell me what was said?

A Thompson said that in September of 1985 arms were sent by Israel to Iran and were replenished after the finding. I don't know -- oh, okay -- after the finding in January. He noted that at most there were 2,000 Tows that had been shipped to Iran from whatever sources, and that there were apparently three shipments of those Tows.

(Counsel is conferring with witness)

THE WITNESS: A point was made that some of the Tow transfers were made after -- or at least some of the Tows were transferred after August 27, 1986, and my note indicates that when the Arms Export Control Act was amended to -- and I know what that means, but my note does not reflect that, but it was amended at that time to prohibit arms transfers to countries that the Secretary of State had declared to be terrorist nations and I don't say whether this is a point made by Paul Thompson or by somebody else in the room.

The next line of my note says 500 replenished Tows to Israel. I don't know particularly what that means other than I guess another reference to the fact that some Tows that had been transferred by Israel to Iran were replenished by the U.S.

Then I have got a note that says DOD to CIA -- an arrow between them -- and another arrow after CIA to proprietary, parens, non-CIA, to Israel to Iran. So this is -- this appears to be the path of the arms that they took from the U.S. to Iran. And I am quite confident that is what it is. I don't say with equal confidence that Thompson related this, but I think that he did.

So that the arms came out of the Department of Defense, they were then transferred to the CIA on an Economy Act basis. I have got a note here that suggests that to me and I subsequently learned that was the case.

And then CIA transferred them to a proprietary non-CIA. I don't know what that means. The proprietary that I subsequently, I think, became acquainted with was an airline operated by CIA, but I don't know what was intended by that note.

And then they were transferred to Israel and then to Iran, according to this note.

BY MS. NAUGHTON:

Q Was it your understanding that that path of arms sales was for post-finding sales or for all the sales or was that distinguished?

A I don't recall whether it was distinguished specifically but I would say it probably distinguished. Certainly that is my understanding for the post-finding arms relationship that was established with Iran. Not the pre-finding relationship.

Then I have a note beneath that which says Paul says total value less than -- and that is the end of the note -- so I don't know what he said to finish that out. I just don't have any recollection at all.

Then there is a line across the page and beneath that, I have Dave, CIAGC, which identified to me that this fellow with whom I think I was being acquainted for the first time, was named Dave and he was CIAGC. I don't think I had had any dealings with him prior to this.

He related apparently, from this note, that in January Weinberger had looked at the legal issue and was satisfied. Then underneath that, so did Meese presumably.

My recollection, such as it is -- very general and sketchy -- but is that the legal issue that this references is the question whether arms could be transferred under the National Security Act and thereby rendering inapplicable to the Arms Export Control Act.

Then the note says re September, which to me meant September, the September shipment of Tows. Note the language in Arms Export Control Act, and use of term "would". Would President approve sale by A good government, Israel, to a prohibited country, Iran?

My best recollection is that this point was made by Sofaer. That is another reason why I think that Sofaer was at the meeting, and not by Dave. But I could certainly be corrected on that. I then have a line that says --

Q Could you interpret that for us -- when you heard that exactly what point was he making?

A I did not entirely understand it at the time. I remember that I was not immediately acquainted with the phrase that he was referring to in the Arms Export Control Act, the "would" phrase. Since then I now know what it was he was referring to, but at the time, I did not understand that point.

Q What is your understanding now?

A I think he was suggesting that the standard for whether the Arms Export Control Act, its restriction regarding -- well, I just don't recall what the word "would", what provision of the Arms Export Control Act is in. But it sets up a standard and I don't recall whether it is for consenting to the transfer, but I think that is what it is. And he suggested that the standard is would the President have approved this himself if he subsequently finds out about it? I think that is the point he was making.

I can examine the pertinent reference of the Arms Export Control Act if you would like me to, to see if that assists my memory. You want me to do that?

Q No, that is fine.

A The next line is, is there any significance to fact, and that is the end of it. I don't have a clue as to what is being discussed that relates to that truncated note.

The next line is the arms tranferred were not among the arms that were suspended per executive order and which had been previously approved by Congress, which is in parentheticals, and therefore could have been sent by President if executive revoked even implicitly.

I don't remember who made this point but the point was simply that prior to the time that an embargo was established regarding Iran, they had bought a large stock, as I understand it, of arms, arms of various and sophisticated kinds. We embargoed those arms by executive order, so the point, as I understand it, was that if the arms that had been transferred to Iran had been the ones that they had previously purchased and paid for, there would be no Arms Export Control Act, no National Security Act, no problems of any kind -- at least that is the proposition.

I have never examined it -- I don't know whether that is accurate or not, but this was a point of information and I suspect -- I just don't know where it came from, but it more or less foreclosed that legal analysis if that was factually correct.

And since we have completed this document, I take it, could I get a three minute recess?

MS. NAUGHTON: Sure.

(A short recess was taken)

MS. NAUGHTON: Back on the record.

BY MS. NAUGHTON:

Q Just a few more questions about that November 18th meeting at the White House.

A Incidentally, I am prepared to accept your information that that happened on the 18th, but you are telling me, so hasn't really inspired my memory on that and I can't confirm that of my own recollection.

Q Fine. We will just refer to it as the meeting in Wallison's office.

A Okay.

Q Was there any attempt by those present to get more information out of Mr. Thompson, other than what he had or that he was willing to provide?

A I seem to -- yes, I seem to recall some irritation exhibited, particularly by ~~Sophaer~~ Sofaer and Garrett -- if again I am correct and they were at the meeting. And my recollectio though it is vague, is along the lines that the irritation was because of the lack of information on what had happened that was forthcoming from NSC to the other interested agencies.

Q What was Commander Thompson's response to you?

A Well, his response to me on numerous occasions was that they are doing the best they can and working very hard to reconstruct the matter from the people who were involved, and from any documents that are relev~~e~~ant to it, and I -- while I don't have specific recollection, I suspect that is what he offered to this group.

Q Do you recall that -- did he ever say that Admiral Poindexter had told him not to impart certain facts to this ~~grop~~ group or to keep it closely held, something along those lines?

A I don't recall that.

Q Do you recall how the meeting ended? In other words, what was to be done or what were the participants going to do?

A No, I don't recall there having been any agreed action steps that would then take place. I mean, they were acquainted with the fact that -- and I didn't make any secret of the fact, I am sure -- that I and my office, my office was examining the legal issues that we were able to identify -- so I suspect that there was universal understanding that that project was going forward, but I don't remember there having been any taskings or any agreed upon next steps for that group.

Q Do you know whether or not any of the participants at that meeting had a copy of the chronology?

A I do not think that they did, but I don't recall that specifically. I just -- my general recollection is that it does not associate chronology with that meeting and I think that if they did have a chronology the chronology would be on the table in front of everybody, and I do not recall that as having been the case.

Q Do you know whether or not Commander Thompson promised to get them a chronology?

A I can't say that he did. I just don't recall.

Q Did he promise to keep them informed of the facts?

A I would suspect -- I mean to the extent -- well, actually I just don't have a recollection of what representations Paul Thompson made to this group or what responses he made to the protests that I vaguely recall having been made. I suspect, however, that in light of the context he suggested they were doing the best they could, and they would, of course, be provided with information at such time as it was developed. I suspect that, I don't recall it.

Q Do you happen to recall what time of day this meeting was?

A No, I can't tell you whether it was morning or afternoon, to tell you the truth.

Q Then we go to the 19th of November, 1986, the day of the Presidential press conference. Do you recall watching the press conference?

A Yes, I do.

Q Did anything in it strike you as remarkable?

MR. BOLTON: I will object to that question. I don't know what the word "remarkable" means. If you want to ask him his impressions, I think that is a legitimate question but asking with words like remarkable doesn't seem to be answerable.

MS. NAUGHTON: Your objection is noted.

BY MS. NAUGHTON:

Q Answer the question, please.

A I do recall the press conference. I recall having noted particularly a statement that the President made to the effect that there were no third countries involved in our efforts. I can't tell you what his formulation was, or what question it was in response to, but he did make that statement it seems to me, generally towards the end of the latter half of the news conference.

And all the information that I had thus far developed from the finding and the memo regarding the finding to the chronology of everything else, was that in fact Israel had been involved very, very prominently in this with us, so that is one thing that yes, does come immediately to mind -- in response to your question.

Q After hearing that did you do anything?

A Yes, I did. Unilaterally, as soon as the press conference concluded, I called Paul Thompason at the White House and it was really an unnecessary call because he knew why I was calling and the point I was going to make, and by the time I chatted with Thompson, apparently a decision had already been made to correct the erroneous statement that the President had made regarding no third countries.

Q Did you discuss any other issues with Mr. Thompson?

A I don't recall having done so. I had a precise purpose for calling and we did not chat. As soon as we established that they were addressing the problem then and there, that was the end of the conversation insofar as I recall.

Q Do you recall anything else on November 19th that you did regarding the Iran arms sales?

A I am sure that there were other things, because on each day I was conferring with John McGinnis and reading statutes and -- you know -- just doing things that were -- that had some relationship to this matter. But I don't recall specifically having done anything. Nothing comes particularly to my mind.

Q Now then, turning your attention to November 20th, again, I want to go through some chronologies that are dated November 20th. Not that you necessarily received them, but I want to find out if you ever saw copies. The first one is dated November 20, 1986.

MS. NAUGHTON: If I could have -- it has previously been Exhibit 58 in the McFarlane Exhibit Book, but I would ask the reporter to mark it as CJC Exhibit 7.

(Exhibit CJC Exhibit 7 was marked for identification.)

BY MS. NAUGHTON:

Q I would like to turn your attention to page 6 of this chronology, which is the portion we are concerned with. The second full paragraph, which starts "In mid-November the Israelis, through a senior officer" -- and it goes on then regarding requested help for a shipment that is ultimately to go to Iran. In the middle of the paragraph it states "we were assured at the time that the Israelis were going try oil drilling parts as an incentive since we had expressed so much displeasure on the earlier Tow shipment."

It goes on to relate the CIA's involvement in obtaining a proprietary and in helping with that flight.

Now, do you recall seeing this version of the chronology?

A I think this is the version of the chronology I received, yes.

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Q In other words, do you recall the November '85 shipment being referred to as oil drilling equipment?

A Yes.

Q Do you recall when you received this chronology?

A I can't say any better than the 20th. I just don't -- well, actually, this thing is dated the 20th at 2000 hours, which would be I guess 10 o'clock at night, and it seems very unlikely --

Q I am not sure that that reference is to the time. You shouldn't assume that because we have other versions with the same enumeration on it.

A Other versions that say November 20th?

Q Yes.

MR. LEON: Let's for the record, make it clear.

THE WITNESS: Then I can't make any statements that are authoritative.

MR. LEON: For the record, let's make it clear that this exhibit in the upper right corner on the front page, after the date, has a reference to 2000 hours.

THE WITNESS: Yes, which Counsel Bolton has advised me is 8 o'clock at night. I stand corrected.

BY MS. NAUGHTON:

Q Let me ask you this.

A Because you have advised me I cannot recall that we received varying versions of a document with identical markings

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in the upper right hand corner, that is identical date, and what I have always and did then, take to be a time -- I always regard that as 2000 hours in the military lingo of the people who prepared this thing.

But to the extent that there were chronologies that bear those identical mark~~et~~ings but vary ~~bary~~ in their text, I really cannot represent to you whether or not this is the one I received. I can find out with certainty, however, by making the necessary comparisons. I am happy to do that. But I guess I feel that this is rather treacherous in terms of me identifying with certainty any of these documents, because I did not presently recall that we received varying documents with identi~~si~~cal legends in the upper right hand corner.

Q Hvae you retained copies of the chronologies you received?

A Absolutely. And we have provided copies to the committee of all the chronologies we have received. So if you got this from me, then yes, I will associate myself with it.

MR. BOLTON: Could we clarify that for the record? We have marked three or four versions as exhibits. If you want to question on documents received that is legitimate. But I don't think we ought to play tag. Ask him about the one you think he has seen and put that in front of him and let's stipulate that is the one. I don't think anybody would recall the specificity, every word in a document they read eight months ago.

THE WITNESS: Let me add this. I do not recall ever having seen a document, a chronology from the NSC that had the marginalia that this one has. This may be marginalia that has been added by the committee or something.

MS. NAUGHTON: For the record, we would not add any such markings to an exhibit.

THE WITNESS: I note that we have established that the black deletions are the committee's. But to the exent that this marginalia was on the document --

MS. NAUGHTON: Can we go off the record?

THE WITNESS: I think it is important to be precise here. Because I have never seen a document that has that marginalia.

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(Discussion off the record.)

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12:15pm

MS. NAUGHTON: All right. Back on the record.

THE WITNESS: During the off-the-record conversation, I established at least to my own satisfaction that the document that has been marked as CJC Exhibit 7 was not among the chronologies that we received from the NSC, although I have also agreed to revisit our files with respect to all chronologies we received and send copies anew to Pam of all chronologies that we received.

I also have with me, and have had identified to counsel one of the chronologies that is dated 11/20/86, and it is marked 1300, historical chronology that I know we received and which bears the marginal notations of John McGinnis, my assistant in the Iran-contra matter, one of them.

We have compared the two documents, CJC Exhibit 7 and the chronology that I brought with me, and have identified some discrepancies in the two, but they are largely similar in their discussion at least of the November transfer of Hawks

MS. NAUGHTON: Fine.

MR. LEON: And you will produce --

THE WITNESS: We will produce after White House declassification copies of all chronologies that we have that are different, including chronologies that are the same versions out of the NSC, but bear different authorizations-marginal notations such as mine or John McGinnis'.

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MR. BOLTON: I would note that it is our view that we already have produced these documents, since we have already emptied our files on several occasions, and it could well be that they are actually up here already, but we are happy to provide them again.

THE WITNESS: Just to reemphasize that point, I know our files, we have gone through them on a number of different occasions to provide copies to a number of different bodies, f om the Tower Board to the PIAB, to Mr. Walsh, to the committees of Congress, so it is impossible for me to say with any certainty just which bodies got which documents, but it was my understanding that virtually all of these bodies got all of the documents.

MS. NAUGHTON: Okay, fine.

If the report could mark this version as CJC Number 8.

(Exhibit No. CJC-8 was marked for identification.)

BY MS. NAUGHTON:

Q This is a chronology again dated November 20, 1986, it is documentation number N-9385 through 9401. It is an historical chronology again dated 2000 hours. I will direct your attention to page N-9390, and ask you whether or not you recall receiving that chronology?

A As I page through this chronology, it does appear to be a copy of a chronology that we received bearing the identifying marks in the right-hand corner, 11-20-86, 2000 hours. But in light about the confusion of the chronologies, I don't want to say with certainty that it is until we have actually produced the ones in our files, and a comparison has been made, but I don't see anything on the face of this document as I page through it to suggest to me that it is not the one we received bearing these markings.

Q If I could direct your attention to 9390, the page number, the second full paragraph, in late November 1985 -- refers to a CIA proprietary being chartered to consider just cargo, and then it is later learned that it was actually 18 Hawk missiles.

In other words, there is no mention of oil drilling equipment.

A That appears accurate, yes.

Q Do you recall -- does that refresh your recollection as to whether or not you received a copy of this? In other words, you get one chronology that says it was oil drilling equipment, and then you get another that says no, it was not, it was just cargo.

A I am not sure we have established that I received a chronology that said oil drilling equipment, but I do know that the oil drilling equipment line became known to us early on. I can't tell you which document or how, but oil drilling equipment was the story.

Q I understand, well, just --

A I guess I also have to note for you that I didn't page through the chronologies as we got them, comparing and noting discrepancies or at least I don't recall having -- I know I didn't do that, and I know John McGinnis didn't do that. We were given to understand, and we fully expected that the differing versions of the chronologies would be different, because the point was emphasized upon us that the task of gathering the facts was difficult, and that new facts and new information was coming to light, and it was being compiled and updated feverishly by people at the NSC, and that each version simply reflected the best knowledge and understanding that they had at the time the version was created.

So, we didn't do anything like a side-by-side of each of these chronologies. We just wouldn't have had time for one thing.

What we ended up doing, at least what I ended up doing was seizing upon one of them and using that more or less as the basis for our legal examination, because the basic legal facts, or at least the basic events that raised in our minds legal issues did not change dramatically.

Whether they called them oil drilling parts or not didn't change the fact that there were Hawks on that plane, and the issue remained, and you know, whether the September event was the thing that most concerned us and that the important trail of that event didn't change much anyway.

So that is by way of explanation to say I would not have noticed, I suspect, that one of these says oil drilling and one of them doesn't, but that was early on a line that we were exposed to.

MS. NAUGHTON: Would you mark this next Exhibit ~~qa~~ as CJC Number 9?

(Exhibit No. CJC-9 was marked for identification.)

BY MS. NAUGHTON:

Q Now, CJC Number 9 refers to a document dated November 20, 1986, chronology of events, the document production number taken from the House Intelligence Committee is 330081.

MR. BOLTON: I might note also that this document is classified top secret, so for purposes of -- and it is not declassified in any way.

So, for purposes of the classification of the deposition, it should be top secret as well.

MS. NAUGHTON: This document is entitled "Chronology of Events," and it is what we have referred to as a mini-chronology, in other words, not a narrative chronology, but rather a date in the chronology.

I ask you if you have ever seen this document before?

THE WITNESS: I have certainly seen a document that bears striking similarities to this one. I suspect I have seen this one.

BY MS. NAUGHTON:

Q Do you recall when?

A My best recollection is this document was along with another of the November 20th narrative chronologies that we received.

Q Do you recall whether it came with the last chronology or would it have come with the November 17 chronology? It is dated November 20, which is why I asked.

A I really don't. I really don't.

Q Okay.

A I would suggest that Mr. McGinnis might have a more precise recollection of that than I do on this. He really was more directly involved in receipt and study of the chronologies as they came in.

MS. NAUGHTON: Can we go off the record?

(Discussion off the record.)

MS. NAUGHTON: Let's take a lunch recess now for 30 minutes, and come back at 1 p.m.

(Whereupon, at 12:30 p.m., the taking of the deposition was recessed, to reconvene at 1:00 p.m., the same day.)

1:05 p.m.

AFTERNOON SESSION

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

MS. NAUGHTON: Could you please mark this as Exhibit 10.

(Exhibit No. CJC-10 was marked for identification.)

BY MS. NAUGHTON:

Q We are back on the record again, and Mr. Cooper, I have shown you what has been marked as CJC Number 10, which is what is called the PROF note from Oliver North dated November 20, 1985, and it has been used previously as an exhibit in the public hearings, which is why there are so many redacted portions.

Paragraph 1 starts, the Israelis will deliver 80 mod, short for modified, Hawks, at noon on Friday, 22 November. These 80 will be loaded aboard three chartered aircraft owned by a proprietary which will take off at 2-hour intervals for Tabriz.

It goes on to explain the flight and the Hawk missiles. Really, I have only one question for you: Have you ever seen this PROF note, have you ever seen it before?

A I have never seen this document before now. At least I have never read it. I don't think this document has ever been before my eyes, but it has certainly never been read by me.

Q Prior to November 22, when Mr. Reynolds and Mr. Richardson went over to the NSC and were reviewing documents, were you aware that such PROF notes existed?

A I don't even know what a PROF note is right now.

MR. LEON: That is a good answer. You couldn't have reviewed it if you didn't know what it was.

MS. NAUGHTON: If this could be marked as Exhibit 11.

(Exhibit No. CJC-11 was marked for identification.)

BY MS. NAUGHTON:

Q Mr. Cooper, this is another PROF note again from Oliver North, dated 11-22-85, marked Exhibit 11. I ask you whether or not you recognize this document?

A I do not. I do not believe I have ever seen this document, and I am certain that I have never read it. I am wondering if you can tell me what this says, though, when it says, note from Oliver North, subject, private something, something.

MR. LEON: Private blank check?

THE WITNESS: Private blank check?

MR. LEON: That is a communications channel between North and Poindexter.

MS. NAUGHTON: Would you mark this as Exhibit 12, please?

(Exhibit No. CJC-12 was marked for identification.)

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BY MS. NAUGHTON:

Q CJC Exhibit 12 is a PROF note from Oliver North dated December 4, 1985, and it describes, among other things, the November attempted transfer of 18 Hawk missiles which "went awry" because the Iranians were in fact seeking a weapons system that would be capable of stopping Soviet reconnaissance flights along the Iranian-Soviet border, and on the Iranian-Iraqi border.

I ask you whether or not you have ever seen this document before?

A I have never read this document, I don't believe I have ever seen it, nor do I believe I have ever seen any document like this document.

Q Okay.

MR. LEON: By that, you mean the PROF format?

THE WITNESS: I mean visually in its appearance, anything that looks like these documents do. They are rather distinctive.

BY MS. NAUGHTON:

Q Now, on November 20, 1986, did there come a time at which you went to a meeting at the White House regarding DCI Casey's proposed testimony?

A Yes, I did attend a meeting in Mr. Poindexter's office, at which his testimony and Poindexter's informal briefing of members of I think both the Senate and the House

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Intelligence Committees was the subject of discussion.

Q How was it that you went to this meeting? In other words, who informed you and who asked you to come?

A The Attorney General, I think, sometime earlier that day, informed me that I, essentially that I would be attenting a meeting with him that afternoon at that time in Poindexter's office on this Iran business.

Q Did you have a draft of Mr. Casey's testimony?

MR. BOLTON: At what time?

THE WITNESS: I do not think I did prior to the time I actually got to Mr. Poindexter's office. I don't think I had received a draft of his testimony.

BY MS. NAUGHTON:

Q Do you know whether or not the Attorney General had a draft of it prior to going to Mr. Poindexter's office?

A I don't know, but I assume that if he had a draft prior to that time, I would have received a copy, but actually, I just don't know whether he had a copy of it or not. My impression and belief is that he did not.

Copies of the testimony, of a draft testimony were of course handed out at the meeting.

MS. NAUGHTON: I would like to have both of these documents marked next in order as 13 and 14.

(Exhibits No. CJC-13 and 14 were marked for identification.

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BY MS. NAUGHTON:

Q CJC-13 is a document dated Iran Testimony, 21 November 1986. It is House Intelligence Committee Document No. 330086, and has 10 pages to it.

For the record, Exhibit No. 14 is White House Document No. N-10007, also dated 20 November 1986, and entitled DCI's Iranian Testimony for HPSCI and SSCI 21 November 1986.

These appear to be drafts, Mr. Cooper, of the Casey testimony. Do you recall which one it is that you saw at Mr. Poindexter's office on November 20?

A Yes, I do, at least the exhibit marked CJC No. 13 is the one that I recognize as having been distributed and the subject of discussion in Poindexter's office that afternoon

Q Did you ever see the other version, that is Exhibit No. 14?

A I did, and when I say that I saw these versions, I assume these are the only versions of -- in other words, I am assuming there are not versions of this that have the same identifying markings, a la the chronologies.

But, yes, I did see this. I have seen this.

Q First of all, did you see --

A I did not see this in Poindexter's office, however.

Q Let's get that again. How many versions in all did you see of the Casey testimony?

A Three versions.

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Q Is the first one before you?

A Yes.

Q That is Exhibit 13?

A Yes.

Q And you saw that in Mr. Poindexter's office?

A Yes.

Q The second one that you saw, can you tell us when that was, and if that is before you?

A I saw it in Mr. Casey's office the following morning, on November 21, Friday, in his office. I saw another version which this may or may not be, I don't know, Exhibit 14, CJC.

There was a version that was undergoing minor revisions right up literally until the time Casey got in his elevator to go to his car, and I don't -- those revisions were -- I don't recall them having been substantive in nature, and they strike me now as being minor, and I don't recall anything about what they were particularly, but the fact that certain revisions of that kind were being made suggested to me that if this is the final one he handed in, there was one that is not reflected here that underwent those minor revisions.

Q Between the first draft and the second draft, is there -- are there any differences that you would characterize as not minor?

A Yes.

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Q Would you explain what those would be?

A Well, they are not differences really from this draft to this one. What they are are differences from an insert, a separate sheet of paper, that was also discussed in the Poindexter meeting, the meeting in Poindexter's office, in which -- which detailed the November Hawk episode independently. And I understood that document to be a separate document in the nature of a substitute for the discussion of the November episode that was contained in this draft marked No. 13.

Q We will get to that document. Aside from that change, which is a fairly substantive change, were there any other changes that you note that were not of a minor nature?

A There may well be, but certainly the only one that I attached particular significance to is the one we are about to get to, and there may be plenty of them, but I just did not then and have not since compared these two documents.

MS. NAUGHTON: If we could mark this then as CJC No. 15.

(Exhibit No. CJC-15 was marked for identification.)

BY MS. NAUGHTON:

Q CJC-15 is a document with a secret classification headed by the subject in capital letters, CIA, AIRLINE INVOLVEMENT. It is a one-page document of typewritten and

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handwritten changes on it. Had you seen this document before?

A Today?

Q Yes.

A Certainly. Yes, I have.

Q Can you tell us what the circumstances were?

A Yes, this is the document that I am -- that I referred to earlier as being a separate one-page document that discusses the November episode, and that I took to be in the nature of a substitute for the discussion of the November episode in the draft Casey testimony that is identified as No. 13.

The circumstances surrounding this document are that it was the primary subject, primary focus of discussion about the November Hawk episode at the meeting held in Poindexter's office on November 20.

Q Let's set up the meeting first, if we could. Approximately what time of the day was this meeting?

A My chronology reflects 1:30 to 3:00, that is an approximate time, but it comports with my best recollection.

Q And who attended the meeting?

A To the best of my collection, the meeting was attended by Poindexter, Casey, my chronology reflects that Gates was there, but I cannot see him in my mind's eye.

I do not visualize him, North was there, Paul Thompson was there, I was there, the AG was there, and I think that is all I can recall as having been there.

Q Do you know who called the meeting?

A I understand Poindexter called the meeting but, you know, I may have assumed that from the fact that it was in his office, but I don't have any knowledge other than that it was Poindexter

Q Did someone at the meeting begin by explaining the purpose of the meeting?

A I don't recall any preliminary remarks that were focused on that particularly. We were examining Casey's draft testimony and this substitute page, and there was general discussion in the room about the Iran initiative and the facts underlying it, and North's efforts, particularly in conjunction with McFarlane to develop an accurate and thoroughgoing accounting of the facts that surrounded that initiative, but there was no opening statement from anybody as to why we were there.

It was quite obvious why we were there.

Q Did anybody sort of run the meeting?

A Well, no, it was not -- there was no formalities of any kind. It was not run in the sense that somebody recognized people to contribute and speak.

It was just a -- no, you know, a very informal discussion. There were some people who participated more than others, but there was no one who I would identify as having run the meeting.

Q Did you go through his testimony paragraph by paragraph or page by page or was it a general discussion whoever saw something that needed discussion would bring it up?

A It was much more the latter than the former. We did not go through it page by page. We did go through, however, this document, marked number 15, pretty much paragraph by paragraph.

Q Do you recall who presented the insert?

A I don't. I don't recall from whence either of these documents emanated. I assumed then, and I certainly have never received any information to the contrary that they were both produced by the CIA, but I have no information on that one way or another, at least I don't recall.

Q Was anyone from the CIA's General Counsel there, to your knowledge?

A I don't think so. I don't think Dave ~~Dougherty~~ Doherty was there. I thought Gates was there, but then again, I would never have seen Gates before that time, and I guess identifying something -- I know somebody was there with Casey and the thing about which I am least confident in terms of the people who were in that room was who was with Casey.

I thought that it was Gates. At least when I wrote this chronology, I thought so.

Q Do you recall that person, who~~m~~ever it was, making any comments during the meeting?

A I do not. I don't recall Casey having made any comments particularly. I do know that he made -- he did make some comments, but none that I have any recollection of. He participated very little in the meeting.

Q Going through then the insert, first of all, was it just presented for people to read and then comment on or did anyone actually sit down and verbally describe what happened in that way?

A It was presented, and it wasn't really -- I don't really remember anyone actually presenting it, though that may have happened. The thing I remember is that I sat down on the couch and all I can remember in my mind's eye is there was a copy of this on the cushion next to me, but it had to be passed out by somebody.

I just don't remember who did it. There was nobody who just went line by line through it. We did just read it and discuss particular elements of it that were -- that various people raised. When I say various people, that is putting too high, because North was the one who was by far the dominant participant in the discussion of this document and that episode.

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CAS-1
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1:30

Q Okay. Now, the document you have before you seems to have two -- at least two different kinds of handwriting. Do you recognize any of the handwriting on the document?

A The darker handwriting I suspect is the Attorney General's. But the only thing I can say with absolute certainty is that it is not mine, none of the handwriting on this document is mine. There is a document, however, that does bear my handwriting.

Q The third full paragraph seems to have the first substantive change in terms of the handwriting. In other words, the phrase there, "intermediary with the Iranians" is crossed out and the phrase the "Israelis" inserted in what appears to be the Attorney General's handwriting.

Can you describe what that discussion was that led to that change?

In other words, another change is made later on in a similar vein. Was there a discussion that we shouldn't discuss the intermediaries being used?

A No. Not at all. In fact, I think that was simply a factual error at least so Mr. North -- Colonel North -- I associate these changes, each one of them with Colonel North, but -- because he was the only one at the meeting who was speaking in a way that impressed me as being authoritative in that he had some basis for knowledge of the facts.

Nobody else at that meeting impressed me as having any personal or other firm basis for knowledge of the facts. And I think this was simply that that was a factual error, that the NSC passed the name of the airline, the NSC being North, the name of our airline to -- directly to the Israelis, not to anyone representing Iran.

And that was consistent, I think, with -- probably with any of the chronologies that had been distributed up until that time.

Q If we go down three more paragraphs, starting with the paragraph, "To the best of our knowledge...", "neither..." this part is changed -- "the intermediary did not know that he was dealing with a CIA proprietary" is changed to the "Israelis nor the Iranians knew that they were dealing with a CIA proprietary."

Can you tell us what the discussion was revolving on that change?

A I am confident that it was a change suggested by North. I don't have a recollection specifically as to the conversation that revolved around this change. I would suspect that it was a change that simply harmonized it with the earlier change that was made and was based upon North's knowledge of the facts.

But there wasn't a lot of conversation and I don't have any particular memory for that change.

CAS-3

Q If we could skip down then to the next paragraph, "The airline was paid...", and then the phrase -- "by the Israelis" is inserted.

Was there a discussion of who paid the airline?

A Well, I assume from this interlineation that there was a discussion, at least a discussion that consumed enough time for North to make this point, and I again believe that it was North who would have made this point.

But I don't recall any -- you know, my general recollection is that there was some conversation about these things, although North was clearly in the driver's seat on these changes.

He was the only one who, at least by my impression at the meeting -- nobody challenged his knowledge of the facts and these are factual points that were being made.

Q What about the last substantive change, in other words, the sentence, it had, in fact, made a legitimate flight into Tehran carrying commercial items prior to the 22-25 November incident was changed to "It had, in fact, made another unrelated...", and the phrase "legitimate" stricken.

That seems to be not a factual change, but rather a re-characterization.

A That is right.

Q Do you recall that being discussed?

CAS-4

A I do not recall it. I do not recall -- this seems more like a lawyer's change than a ~~fact witness'~~ factual change, but I don't remember whether that is something either I or the A.G. suggested be made or somebody else. I just don't remember.

It is entirely possible that one of us did suggest that change.

Q Finally, let's get to the big change. On the paragraph starting, "To the best of our knowledge...", the second sentence, "We in the CIA did not find out that our airline had hauled Hawk missiles into Iran until mid-January when we were told by the Iranians..." was changed to "No one in the U.S.G. found out that our airline had hauled Hawk missiles into Iran until mid-January, when we were told by the Iranians." Do you recall who proposed a change from "no one in the CIA knew it" to "no one in the U.S. Government knew it"?

A Yes, I do.

Q Who was that?

A Lieutenant Colonel North. I have a vivid memory of this and the reason I have a vivid memory of this and a general, vague memory of the other changes is that immediately after this meeting concluded my -- I had occasion to have my attention focused on this passage and this change. This is the change that got the ball rolling, so to speak.

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But, yes, North did suggest that this was not -- that this change was necessary to avoid the implication that somebody in the U.S. Government knew about the Hawks, though it wasn't in the CIA. He wanted to make clear that nobody in the United States Government knew about these Hawks until we were told in mid-January by the Iranians.

And he was -- you know, nobody argued with him, but he was emphatic about that. I mean, he was firm in his view that that should definitely be changed.

Q So he stated that no one in the U.S. Government knew about the Hawks?

A Yes. That was his formulation.

Q And no one at the meeting objected?

A No.

MR. LEON: Nobody had left the meeting -- what about at the beginning?

THE WITNESS: Paul Thompson was in and out, and North, in fact, was in and out a couple of times during the period that I was in there -- but, no, the point is --

MR. LEON: Was Casey and Poindexter there when he suggested this?

THE WITNESS: Absolutely. They were there. And so, you know, there is a document that bears my own interlineations precisely to that effect and we just made the change and went on.

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BY MS. NAUGHTON:

Q And you recall no other substantive changes that you took note of or can recall at this time?

A Substantive changes?

Q To Mr. Casey's testimony.

A There may have been others that were made, but none that I took note of. This is the only one that had any significance for me or does now.

Q At that time when that change was made, what was your understanding about the November 1985 shipment?

A My understanding was --

Q Excuse me. Let's say, walking into the group, not after the insert was given to you, what was your understanding of the arms shipment?

A It was generally in accord with, and I can't tell you I had received this document prior to the time I walked in there.

Q This is the 11/20. You had received a version on 11/17. I can show you a copy of that.

A Right. But what I am suggesting is what time is 1300 -- that is one o'clock?

MR. LEON: Yes.

THE WITNESS: It is possible that I had this document prior to the time I went in there or that I was presented with it when I got there. I just don't remember.

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But either one, I mean they are not dramatically different in terms of the portrayal between the November 17 chronology and the November 20th chronology.

But my understanding was basically as reflected there, that we had gotten the Hawks back, that we had been -- that the Israelis had acted unilaterally in sending Hawks, that we were unwitting of any such fact.

By that time I feel certain that oil drilling equipment had been introduced into the -- into the event. But the salient features for me, looking at it in terms of what kind of Hughes-Ryan problem we might have, because a CIA proprietary was used, was that we were unwitting of the fact this was Israel who was attempting to do this, and that we had upon discovery gotten the Hawks back, that the Hawks had been given back and that we had been encouraging, if not the motivating force behind that.

Now, North at the Poindexter meeting very much encouraged that understanding of the November event. In fact, I recall him using the term jawboning to describe how they had to get the Hawks out of the Iranians. There was no suggestion that the Iranians were displeased with the items and irritated and wanted to give them back, only that we were displeased by the event and that North had been dispatched by McFarlane or Poindexter, I don't recall whom, to ensure the return of those Hawk missiles.

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BY MS. NAUGHTON:

Q Why?

A Well, I didn't know anything other than that we were irritated and that this was not good, and that what the chronology said, which was to the effect that this transfer somehow jeopardized our ability to establish a direct link with the Iranians.

MR. LEON: Was Casey and Poindexter there when he said that?

THE WITNESS: No. I don't think that was articulated at the meeting. That was articulated in these chronologies or at least in the one that I focused on.

MR. LEON: The jawboning?

THE WITNESS: No, the jawboning was a statement that,to the best of my recollection, North made at the meeting.

He went through a portrayal of the events that included the fact that he jawboned the Iranians to get those Hawks back. And it was tough going, you know, and I mean he portrayed the event as though it had happened.

MR. LEON: My question is when he gave that description, Poindexter and Casey did hear it?

THE WITNESS: Oh, yes. Poindexter and Casey were there throughout the entire meeting. They did not leave to my recollection.

At least they were there during the time that I was there and I didn't leave until the end of it.

But when you say "why", I am reporting now what I understood to be the fact from a chronology. He didn't say that anything other than that this was upsetting our plans. I mean, some conclusory statement I am sure he made. I remember he was fond of the word "dork", and he was saying "this dorked everything up".

I recall him using that word in Poindexter's office and I recall him using it as well in the A.G.'s office, as well on Sunday.

BY MS. NAUGHTON:

Q But did he make any reference outside of what is in the insert in terms of the U.S. Government's knowledge in terms of when they find out this was Hawks? In other words, several of the chronologies say we didn't find out until January. Others sort of fudge on that question. Did he make any affirmative statements as to when the United States Government found out they were Hawks?

A No, I don't recall him making any such statement, but if he did make a statement, he didn't make one that diverged from the suggestion made on this piece of paper or we would all have focused on it and changed this piece of paper, because he was the one calling the factual shots.

Q Did anyone else in the room volunteer when they found out it was Hawks?

A No. North commanded absolute deference from everybody in that room. When I left that room I did not -- I had the distinct impression that nobody had any factual, personal factual knowledge of the events that we had just discussed, and certainly didn't have any knowledge or evidence for the proposition that anybody had doubts about what North was reporting.

Q Well, I am not so much asking if anyone was skeptical, but if anybody supported his statement that no one knew. In other words, did Casey or Poindexter say, yes, I didn't hear about it until January?

A No. At least I don't recall. It is possible that such statements were made and they didn't register in my memory. I just don't recall any such statements having been made.

Q Let's go to the participants then. Do you recall what, if anything, Admiral Poindexter did say at the meeting on any topic, but particularly this topic?

A I don't recall anything that he said on this topic and I guess in the recollection of it the one thing that as more information came to me struck me about my recollection was that he didn't say anything about it.

And the same is true of Casey. There was no contribution that I can recall to this factual information that we are discussing here. And about the only thing -- now, Poindexter had -- he did participate in the conversation at -- you know -- at certain intervals, but I don't recall anything in particular that he said except I do recall that it was my impression that he -- that using the information contained in this testimony that he was basically doing an outline for himself to assist him in his briefing the following day, and I can recall -- I don't know why this sticks in my mind, but I can recall him referring to such an outline and that he would follow along that outline in his briefings.

Q What about Mr. Casey? Do you recall any particular comment that Mr. Casey made about anything discussed at that time?

A No. I just have a general recollection of Mr. Casey, you know, at certain intervals making a comment. I don't have any recollection for what it was or -- you know, I just don't have anything other than the most general recollection at all, other than this incident, which has external reasons for sticking in my mind and I can't tell you what he may have said other than a general sense that he did make a comment now and again.

He did not participate much, however.

Q Mr. Thompson was at the meeting. Do you recall any comments he may have made during the meeting?

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A No. I have no specific recollection of comments or contributions he made. That is not to say he didn't make them. I just don't recall.

Q What about the Attorney General, do you recall any comments the Attorney General made during the meeting?

A The only thing I can recall that -- the only part of the conversation I can recall that the Attorney General made points and participated in with respect to his own knowledge was the legal review point, because I do remember everybody agreeing that they had a meeting in Poindexter's office on what -- I shouldn't say everybody, the people who were in that meeting and I take them to be Poindexter and Casey at least and I guess Sporkin was with them, but they had a meeting on December 7th or thereabouts, and the A.G. focused on, with the others, legal issues related to the finding, to a finding that was proposed or in the offing or being drafted.

But the question was whether or not, as I understand it and recall, the finding was appropriate in this context and whether the arms transactions could be accomplished, and Sporkin had done, it is my understanding, background legal research on that and the A.G. was looking over his shoulder on it, so to speak.

Q Was there any discussion of Secretary Weinberger and his participation in that meeting on December 7th?

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A I don't recall, although through some other meeting or source , I have now been given to understand that Weinberger wanted himself independently to check the law, and he did that and then reported shortly thereafter that he was comfortable with the analysis.

Whether that happened at that meeting or it happened at some subsequent meeting prior to the time the finding was actually signed, I cannot tell you, but I don't have a specific recollection of Weinberger's participation in an earlier meeting having been discussed at the Poindexter meeting that I attended.

Q Do you recall any other comments that the Attorney General might have made at that meeting?

A No, I don't. Though, you know, he did make other comments. I have the general recollection that he made other contributions to the meeting.

Q But you have no specific recollection?

A I just really don't, no.

Q You did not leave with the Attorney General; is that correct?

A I left the meeting at the same time the Attorney General did, but he went to West Point to make a speech. In fact, he had delayed his trip in order to attend this meeting.

And I went to Peter Wallison's office.

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Q What did Mr. Wallison tell you, if anything?

A Well, it really wasn't -- he didn't ask me to come to this office really to tell me anything. As soon as I was leaving the meeting, I was handed a message by the Secretary whose office is right there outside of Poindexter's office door that said Peter Wallison would like to see you.

Paul Thompson was there next to me so I made him aware of that fact and we both went to Wallison's office. The only thing that sticks out in my mind other than that he wanted to know what our meeting was about and what was discussed, whatever, was his expressing his own irritation and regret that he had not been invited to attend the meeting.

MR. BOLTON: I think there may be an ambiguity on the record. Were you talking about Wallison's irritation that he had not been invited to the meeting?

THE WITNESS: Yes. He directed that at Paul Thompson.

BY MS. NAUGHTON:

Q Did he then tell you about a message he had received from the State Department?

A No. While we were having a conversation, Abe Sofaer called, and I can't recall precisely the sequence of calls, but I think Abe Sofaer called into Peter's office to express to Peter a concern that an understanding of the

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November episode that some were under or were advancing was not consistent with the State Department's understanding of that episode.

He suggested that -- and I don't remember whether he got any more specific from that, but I do remember getting on the phone with Abe and saying, you know, was this, what do you -- what is your understanding, because these guys are going forward with theirs tomorrow.

And he said he didn't want to discuss it on an open line. So he called back secure, Wallison has only one secure phone in his office, and so Wallison fielded the call.

My recollection is that Wallison then reported to me and to Paul that according to Abe, Shultz remembered a conversation around November 18th in which McFarlane advised Shultz that the Israelis were going to transfer military equipment to the Iranians.

Nothing about oil drilling parts, but arms. When Wallison reported that to me and to Paul, my mind immediately went to this statement about no one in U.S.G. knew that they were Hawks.

And I confronted Paul with that and said we just left a meeting at which North made emphatically this point and that now the credibility or reliability of that point was seriously questionable and I also pointed out that the portrayal in the chronology had never struck me as a particularly obvious explanation for why the Hawks were returned, if they were returned. I didn't really -- and I told Thompson that.

I told him that is not a credible story. I may even have said it seems incredible, although if I used that word I think I put it a little high, but at that moment I was very concerned and was speaking in very stern language to Paul about this, trying to impress upon him the seriousness of this matter in light of the fact that two cabinet officials would be making these statements tomorrow, or at least that was the plan.

So I told Paul to get back with North immediately and to re-examine this point here. So he said he would. Now, I don't remember what else we did during that meeting, but those things, of course, are vivid in my recollection about the meeting.

So I think that is about the size of the Wallison meeting.

Q Did you speak to Sofaer later that day?

A Yes, I did. And my concerns were exacerbated. Not only that, I recall having spoken both with John here and Brad Reynolds to indicate that a problem was in the offing, but frankly, I don't remember whether I spoke to them before or after I had talked to Sofaer on the phone. But when I did return to my office, I spoke with both Paul

Thompson on the phone and Abe Sofaer. I had not spoken with Abe except fleetingly in Wallison's office. And I don't remember whether I called him up or not, but in any event, the burden of my part of the conversation was "are you sure, Abe?". I mean, this is a serious discrepancy, and are you certain of your end of this?

And he said we have a note -- we have notes, contemporaneously recorded notes reflecting this conversation that say Hawks. And that just heightened dramatically my own concerns about it.

Now, I don't remember whether I had already talked to Paul and Ed told me that North and McFarlane are sticking by their story or whether -- but I think I had -- and then -- but in any event, I called Paul back and related to him that the credibility for the State Department's end of this had just gone up dramatically and that, you know, in even sterner language, suggested we can't fool around here, this has got to be ironed out and resolved immediately or both Casey and Poindexter will -- the offending statement or the uncertain statement would have to be taken out of their testimony.

Q Did you speak to Oliver North that day, after the meeting for the testimony?

A I did not. But Paul represented to me that he had and it was my understanding that North in turn had talked to McFarlane and the report that I got back was that that is their best understanding of the facts.

Q Did Judge Sofaer make any comments about threatening to leave the Government or having to leave the Government if this testimony went forward?

A He made a comment that is more responsive to the latter than to the threatening part. He indicated that the following day he, too, would be on the Hill and would be representing Armitage or Armacost -- I guess as Armacost, who was up there testifying as well from their end on this or would be, and that they would be up there at the same time Casey was, and that obviously if Casey said anything inconsistent with their understanding, at least with anything that they had good reason to believe was inaccurate, that Sofaer would have to advise his client to make known their understanding of the facts right then and there.

And it struck me that -- I recall having concurred with his view that that is obviously what you would have to do, and he made a reference or a statement rather cryptic, actually, that obviously if all that happens, something to the effect that he may be packing his bags.

I suggested to him if that happens a lot of us may be packing our bags.

But I also told him he needn't concern himself, because that ain't going to happen. I was quite confident that that was not going to happen, that they would be prevented from saying anything the accuracy of which was now in doubt.

Q To your knowledge, did Judge Sofaer communicate with anyone else at the Department of Justice on this issue?

A It does strike me that he had a conversation with Arnold Burns earlier that day. I do not recall, however, that he made the points to Arnie that he had just made to me.

I did not understand that.

MR. LEON: For the record, Mr. Burns was Deputy Attorney General of the United States at that time?

THE WITNESS: I guess he was by then.

BY MS. NAUGHTON:

Q Did Judge Sofaer discuss with you what he and Mr. Burns had talked about?

A I don't recall that. It may well be that he did, but I don't recall it.

Q Did you talk to Admiral Poindexter then that afternoon?

A I did or that evening, late that evening, later. After I had more or less closed the loop with Paul Thompson and had learned from him basically that they were sticking by the story.

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I think I said, Paul, that is not viable or something to that effect.

I told him that the State Department has contemporaneous notes indicating there were Hawks on that plane and that he needs to get back to those guys and try again.

But after that I then undertook to get hold of the A.G. and I did remember having talked to Brad and to John, both of whom fully concurred that the A.G. should be advised and essentially asked to come back, but --

Q When you talked to Admiral Poindexter, did you ask him whether or not McFarlane had told Shultz that there were Hawks on that November 1985 shipment?

A No.

Q Why not?

A First, I don't think I told him the source of my conclusion that there was a discrepancy about the accuracy of the statement "no one in U.S.G.". I don't think I outlined all this other than to say there is a serious question about the accuracy of the statement and essentially that I and the A.G., obviously, particularly the A.G. does not think that statement should be made the following day.

I certainly did not ask him the question you just asked if I asked.

Q Did he ask you what the discrepancy was?

A I don't recall him having done so. I don't think he did.

MR. LEON: Your notes indicate he said he couldn't reach you.

THE WITNESS: That he couldn't reach --

MR. LEON: McFarlane.

THE WITNESS: I think that is an inaccurate note, but I will get back to that.

BY MS. NAUGHTON:

Q My question was did Mr. Poindexter ask you what the discrepancy was?

A I don't think so, but -- I mean, I do not recall having outlined to him the discrepancy and if he had asked me, I would have outlined it.

It was sufficient for his purpose that we had serious doubt or concern about the accuracy of that statement, that he seemed to be entirely non-resistant to the proposition that it might not have been entirely accurate. He didn't question me at all that I can recall.

He also suggested he would get to Casey and advise him. Now, I made that call at the Attorney General's instance and suggestion, whom I, after two hours of incredible hassle, managed to get through on a secure line, and outlined to him the things that I have outlined here to you now about why we had a problem, and I further outlined that he should in my opinion return to the Department the following day and get his arms around -- or somebody should get their arms around this problem before something inaccurate was publicly stated.

Q So you told the Attorney General what the discrepancy was. In other words, you explained to him your conversation with Judge Sofaer?

A Yes.

Q And what was his response to that?

A It was one of complete agreement with my conclusions that I drew from it. He didn't -- I mean other than -- I don't know if you have talked secure on one of these portable things, but it makes for a very awkward and stilted kind of conversation.

You have to say "over", and then the other person then comes on, and basically he just said "I see. I see. Okay". And then advised me that he would attempt to cancel his day the following day.

He fully agreed that he should return, that this was a matter the potential of which was dramatic, and so he assured me he would be there the next day. He instricted me to get hold of Poindexter if possible that evening and advise him that his briefing should be revised accordingly and to try and get ahold of Casey or the CIA General Counsel to alert them to that fact, but that I probably

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also should go out to Casey's office the following morning just to ensure that the change in the testimony was made. And that ~~was~~ my main concern was the testimony, because it had been, at least insofar as I knew from this document number 15, there was imprinting in writing this information, the accuracy of which we seriously questioned. So I followed his instructions and made the calls.

end 5

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2- p.m.

BY MS. NAUGHTON:

Q Did Admiral Poindexter tell you that he had spoken to DCI Casey?

A He did, but I don't believe he told me in that conversation, though, there is something -- well, he did tell me he had taken -- that he had spoken to Casey; that he had tried to call him; that Casey -- he had woken Casey up and that Mr. Casey was sufficiently groggy that he would-- Poindexter was not at all confident that any real communication had taken place.

Q Okay.

A So from this I must conclude I talked to Poindexter twice that evening, and if I can digress for just a moment, Dick, I think your earlier reference to that note, that is John McGinnis' interlineation.

MR. LEON: That is at the bottom of page 1?

THE WITNESS: Of my chronology.

MR. LEON: J-7695.

THE WITNESS: Corresponds to the 11 o'clock entry on November 20.

MR. LEON: Yes. Would you read the entry for the record, Chuck?

THE WITNESS: "Eleven o'clock, CJC call to Poindexter who said he had not been able to talk to McFarlane."

I think that -- I don't think Poindexter is the one who was reporting to me that he had not been able to talk to McFarlane. I think my conversation with Poindexter insofar as it related to his conversation with somebody else related solely to Casey.

What I think John McGinnis has in mind here -- at least my recollection of what took place --is that later on after I had chatted over the phone with Paul Thompson, and told him that I had got a note here that says Hawks, or so I am told, I subsequently connected on the phone with him at the Kennedy Center.

I think he advised me that he had not been able to get in touch with either of the two again, McFarlane or North, because I had reiterated that he should go back and try again and do what he could to refresh their recollections.

So I think that is the explanation, Dick, for this entry. At least what I have just told you is my best recollection from what took place that evening.

BY MS. NAUGHTON:

Q Did you also call Mr. ~~Daugherty~~ Doherty at CIA?

A Yes, I did.

Q And what happened?

A I advised him that a statement that had been inserted in the testimony we had reason to believe may not be accurate. I notified him which statement it was and he told me that he had already deleted that entire sentence. At least that is my recollection of what he told me. That obviously took care of my problem.

Q Did he say anything had been substituted in its place?

A Well, no, I don't recall him having said that something was substituted in its place, but I did, I guess, subsequently learn, and it may well be that he made reference in that call, to the fact that they said the CIA-- they limited the disclaimer of knowledge to the CIA in the testimony.

I think the draft-- I mean the testimony marked CJC Number 14 is consistent with that.

Q Did you make arrangements through ~~Doughterty~~ Doherty to see Director Casey the next morning?

A It wasn't so much to see Casey as it was to join -- well, I may have. I may have. To tell you the truth, I just don't remember whether they were already going to have the meeting or whether I suggested it, a meeting in his office like at 8:30 or 8 o'clock or whenever it was. My notes say 8:00 to 8:30. I just don't remember, although I do know that we discussed my coming over that morning.

Q Okay. Now, the next morning do you recall when the meeting was at the CIA? That is Friday, November 21st.

A No. The best -- my chronology suggests it was

8 o'clock or 8:30.

Q Tell us what happened when you got there.

A Well, when I got into his office, there were several people who -- well, there were two or three people whom I did not recognize milling about, it seemed, and maybe these were legislative officials or something of some kind.

MR. BOLTON: That is what we usually do.

THE WITNESS: But ~~Daugherty~~ Doherty was there and Casey was there and we had a brief conversation about the discrepancy and the information that had come to light the previous day.

BY MS. NAUGHTON:

Q What did you say?

A My best recollection is that I outlined the fact that State Department and Secretary Shultz, particularly, was given to understand that there were Hawks on that shipment not oil drilling equipment, and that obviously, there have -- it could not -- until that was resolved, it could not be said that no one in USG knew that there were Hawks until January. And Casey was, you know, he was in no way resistant. He accepted that as fine.

Q But to the best of your recollection, can you tell us what his reaction ~~responsibility~~ was?

A He didn't really have a reaction ~~responsibility~~ other than to concur or acknowledge the fact that until the uncertainties were resolved that understanding of the event that we had agreed upon to follow the previous day could not be shared with Congress or anybody else. I just don't recall him, what specifically he said in response if anything other than one of agreement with the point that we could not go forward with that information in the circumstance.

Q So he agreed that he could not say no one in the U.S. Government knew they were Hawks, conversely, did you discuss whether he could volunteer to the Congress that Secretary Shultz believed he was told by Mr. McFarlane that it was Hawks?

A No, we didn't discuss that. Certainly, it was not my impression that he intended to do that. The matter, you know -- it was a fact that was -- the state of the United States Government's knowledge regarding the Hawks episode was simply one of uncertainty at that point. We had conflict. So I did not expect or otherwise suggest to them, to him, that he should make any point one way or another on that other than that this would now become among the things that we are still gathering information on.

Q Did you tell Director Casey that Mr. Armacost would dispute it if you did say that no U.S. Government official knew?

A No. I have a high level of confidence that I didn't get into that.

Q Was there any discussion of what Mr. Armacost's testimony would be?

A No, I can recall no reference at all to that.

Q Did Mr. Casey volunteer as to what he knew about the Hawk shipment?

A No.

Q Did he volunteer as to when he learned they were Hawks?

A No, he didn't. My impression was that he was just like me, a receiver of information, not a possesser of information. That was my impression in Poindexter's office, and it again was -- I had no contrary evidence at all in Casey's office.

Q The other unidentified people in the office, did you learn there identities later?

In other words, were any of them Charlie Allen or Mr. McMahon or any of the people you subsequently interviewed?

A No. McMahon was gone by then.

MR. LEON: He retired.

THE WITNESS: I do recall Gates coming in from what appeared to be an adjoining office or suite of offices sitting down for a very brief moment of time, and then going back into his office. But I do not recall Charlie Allen as having been among the people who were up there. But then I had never met Charlie Allen, but when I did interview him

I don't recall him as being familiar to me.

BY MS. NAUGHTON:

Q What about Mr. Clarridge?

A No, I don't think Clarridge was among them either. I can't speak to that with certainty. I remember ~~Daugherty~~ Doherty, and I remember George ~~Jamison~~ Jameson joined us just before he left.

Q So did ~~Jamison~~ Jameson hear you give your explanation of what Sofaer had told you?

A I don't think he was there at the time.

Q Were you given a revised copy of Mr. Casey's testimony?

A I think I was. I think I took one back to the Justice Department.

Q This would be number CJC Number 14.

A Yes. If I was, yes, I assume it would be 14. If this -- if JC 14 is indeed a copy of what he ultimately testified from or delivered to the committee.

Q At 8:30 after you left the CIA where did you go?

A I went back to my office. To the Justice Department to my office.

Q Did you attend any staff meetings that morning?

A No. I didn't, although I recall -- it seems to me that -- does anybody know what time Casey was to testify?

MR. BOLTON: It started before HPSCI in the morning like 9:30 or 10:00.

MR. LEON: 9:30.

THE WITNESS: Okay, this 8:30 ending time may be underestimated because I remember that they were quite concerned about being tardy when we left very hurriedly and put the light and the siren on, and I remember pulling in very tight behind the follow-up car so I could get the benefit of that siren through the ungodly traffic that was on the George Washington Parkway at the time.

But they were pressing to get there in time for him to testify, and I would suspect that I got back to the office around 9:00, between 9:00 and 9:30-- 9:15 maybe, or thereabouts.

BY MS. NAUGHTON:

Q Do you recall then meeting with any senior Department of Justice people that morning?

A Well, I recalled at the time I did this chronology that I met with the A.G., Brad Reynolds, and John Richardson. Whether ~~Arney~~ Arnie was there or not is a question mark both on my chronology and in my mind. But we did meet not long after the A.G. arrived, I'm sure, from Westpoint, and that was prearranged between the A.G. and me.

We were going to meet as soon as we both got back into the office and it was plus or minus 9 o'clock when we did.

Q Somewhere between 9:00 and 9:30?

A Yes.

Q Did you discuss what had transpired the day before?

A Yes. I'm sure that we went over again that and the -- I am quite certain as well that I described the conversations I had had with Poindexter and Casey.

Q And what did you all decide to do then?

A Actually the next big decision was already made, the A.G. had pretty much resolved in my conversation with him, though I feel certain he confirmed his decision in that morning meeting we had. But he had resolved in our conversation the night before that he was going to go in and talk to the President about the state of the President's, the government's knowledge of the Iran matter and advise him that somebody needed to take responsibility for getting their arms around this matter discerning and collecting the facts as accurately and completely as possible in as short a period of time as possible before some error was made.

I can recall very well making the suggestion to him that he do that and that he take the responsibility to do that, and he concurred entirely. I also recall that that was a suggestion concurred in by Brad Reynolds, and I think by John Bolton as well.

Q Did you meet that morning, Friday morning with any other senior officials or were they present in any meetings that you attended; that is, senior officials of the Department of Justice?

A I do not think so. I don't know, you know. I have meetings all the time, but they were not meetings that had any particular significance or at least any -- they didn't make an impression on my memory or I would have tried to record them.

So I have to think not. I also think that on that particular day there wasn't too much on my plate other than this.

Q Do you recall any -- was there any discussion that morning, Friday morning, of the criminal division being used to help with this inquiry, to put these facts together?

A I would suspect that there was conversation among the A.G., Brad, John and me about that at this meeting. We did have conversation about it very early on, and I know that the A.G. had a discussion with Bill Webster on that subject very early on in this process, but that is -- if we did have it, it would have been in that context.

Q Were any of these discussions with anyone from the Criminal Division, in other words, Mr. Weld or any of his deputies?

A No, not that I participated in.

Q And what if anything did you -- when you did discuss this with the Attorney General and Mr. Reynolds and the people that you mentioned, what was decided regarding the use of criminal division attorneys?

A Well, I don't really recall that -- actually now I guess I should back up because I don't think the conversation was about the use of Criminal Division attorneys. I don't think we had -- the conversation along those lines that I can remember was the use of FBI agents, but I don't recall any specific conversation devoted to Criminal Division attorneys.

I guess it is possible, but it would have been, I mean, the same analysis that I associate with the FBI, I guess, would have applied with the Criminal Division attorneys, and that is there is no reason to escalate this matter to such a level at this stage. There is no -- we have no evidence of criminal behavior at that point. We basically viewed it as a continuation of the counseling function that we had begun actually prior to Poindexter's meeting, but certainly the counseling function of which that meeting was a part, the same thing lawyers would do for their clients at any time that they would, you know, detect a divergence in their account of factual matters.

Q Were you aware of any request by the Criminal Division to become involved in this process before, shall we say, November 25, 1986?

A November 25 was --

Q The day they announced the diversion, the Attorney General had his press conference.

A No, I don't recall anyone having requested to be in on this. The earliest I can recall there having been perhaps me having had a conversation with people from the Criminal Division was on the 25th almost immediately after the press briefing, but I guess it is entirely conceivable that there was conversation before that.

I certainly don't think I participated in such conversation, and I am certain -- well, certain as I can be at this point -- that I didn't participate in any conversation on Friday with people from the Criminal Division. I did not understand that they had even an inkling that this matter was going forward except to the extent that the A.G. outlined it to Bill Webster, but there was --in fact, at the time I met with the A.G., there was only the A.G. and me who knew the course of action that we had resolved to pursue.

Q If I could then broaden my question to include the Iranian arms sales issue in general, not the specific discrepancy in the testimony, but the arms sale in general and ask my question again; to your knowledge, did you discuss with or did anyone from the Criminal Division bring this to your attention and ask to participate in any investigation regarding the Iranian arms sales prior to November 25?

A Well, it is hard for me to -- I don't think my

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answer changes with respect to prior to November 25.

Q Okay.

A It doesn't change at all with respect to Friday, November 21st, because there wasn't a general concern about the Iran arms sale matter that was kind of abroad in the department as being something that was for criminal investigation.

The only thing that inspired me and, therefore, in turn the A.G. to engage in this fact-gathering was the discrepancy, so if it is separated from the discrepancy that was detected on Thursday, late Thursday there is really -- I don't know of anything that gives rise to a suggestion or a hint that criminal should have been involved in some way, let alone that the FBI should have been involved in some way.

Q Okay.

A In other words, the discrepancy is the thing that suggested to me that we should be involved in some way. The A.G. should be involved beyond the role that we were then playing.

MR. LEON: Was he going to recommend to the President -- was it your understanding that before he met with the President on Friday morning, he, the A.G., would recommend to the Preisdent that he, the A.G., do an investigation?

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THE WITNESS: Oh, yes, that was my understanding.

MR. LEON: Okay. But not a criminal investigation?

THE WITNESS: He was going to offer his services essentially to address what appeared to be a very serious need for somebody to take responsibility.

MR. LEON: But he was not going to suggest a criminal investigation?

THE WITNESS: Oh, no, no, no. You know, I mean on what basis would the A.G. have suggested, Mr. President, we are going to investigate -- he wouldn't ask the President for permission on such a deal as that or suggested this course of action, but on what basis would he have suggested to the President we are going to send in the FBI agents and investigate criminally your White House?

We had no basis for such a thing as that.

BY MS. NAUGHTON:

Q Do you know when the Attorney General spoke to the President that morning?

A Well, I understand that it was in the neighborhood of 11:30. It was the President and Regan.

Q To your knowledge, Mr. REgan was present?

A That is my understanding, yes.

Q Did the Attorney General tell you that the President had given him any information regarding the 1985 shipments?

A I just don't recall that he did. I would have to suspect that he didn't because that would be information that I should think would stick in my mind and I don't think he did.

Q Did the Attorney General -- you told us last time that the Attorney General said the President was surprised that there were pre-finding shipments.

A I did?

Q That is what my notes indicate. I want to make sure whether or not he said that to you or what your exact recollection was at that time.

MR. LEON: Do you remember which day he said it?

MS. NAUGHTON: No.

THE WITNESS: My recollection was better then than it is now, because I don't recall that. I do recall, however, that he was surprised and then some when the A.G. outlined the contra diversion to him, but I don't presently have a recollection that he was surprised about pre-January arms shipments.

BY MS. NAUGHTON:

Q Did you ever discuss whether or not you should just ask the President whether he had authorized the 1985 shipments?

A I am -- it seems likely that we did. I don't have a specific recollection for having done so, but to the extent we discussed it, I imagine that we in the circumstances wanted to know the answer to it or at least have examined everybody who might know the answer to that before we talked about it with the President.

This is against a back-drop in which -- all of this actually proceeds against the back-drop of the November 19 press conference that had a very upsetting effect on the A.G. and I think on anyone who had anything to do with the Iran matter.

MR. LEON: Why?

THE WITNESS: Well, because the President did not appear to have been as well-briefed and did not appear to have -- have had his recollection reflected as thoroughly as I think many of us thought he should have been before he was put out to do a hastily organized and scheduled press conference.

So I do know that that was part; that was among the reasons that the A.G. thought it important for him to stay behind from Westpoint and to participate in this meeting with Poindexter.

Undoubtedly, it weighed heavily as well in his mind about the need as it did in mine; the need for somebody to take responsibility for gathering thoroughly and accurately as possible the background of this whole thing.

I say that by way of trying to give you a flavor to the extent that I can for the undertaking that we were pursuing.

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BY MS. NAUGHTON:

Q Okay. Did you have a meeting around lunch time that day on Friday to then decide what your plan of action was going to be?

A Yes, I do show a lunch here and that comports with my general recollection that we did have a lunch after the A.G. returned. I have down here that John Bolton was present for that lunch. I, however, have a question mark on it.

I do know that on that date John was listening to Casey's testimony, but whether or not, John, you actually attended that lunch or not, I just don't recall entirely, but the A.G. and John Richardson and Brad and I did have lunch on that day.

Q And what did you decide to do?

A We -- well, the A.G. reported the fact that the President did entirely agree with the Attorney General ~~that~~ and understands the circumstances that he, the attorney general, should indeed take responsibility for trying to get his arms around this matter and to find out the facts and hopefully to report them to the President by Monday at 2 o'clock and an NSPG meeting had been scheduled prior to the time that the A.G. met with the President to discuss the Iran matter. So the President wanted to be briefed by the A.G. before that NSPG meeting if at all possible on the background of the

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Iran initiative. So we obviously knew that we would have to do this on a very expedited basis, but I don't think that that schedule was something that had occurred to us.

Q Was there any discussion during that meeting or any other that day regarding whether some of the TOWs had been diverted to the contras?

A Some of the TOWs?

Q Yes.

A No, I do not recall any discussion of that kind.

Q Okay.

A I don't recall the contras having been introduced into my consciousness on this until lunch at the old ~~Bare~~ Ebbitt Grill on Saturday.

Q How was the McFarlan~~d~~e interview set up?

A The A.G. set it up. As I understood it, he called McFarlan~~d~~e and asked him to come in and chat with us. He explained to him that the President had commissioned him to do this and asked him to come in and chat with us and McFarlan~~d~~e did.

Q Was Mr. McFarlan~~d~~e alone when you interviewed him?

A He was.

Q Did he mention whether or not he had retained counsel at this point or had counsel -- or had consulted with an attorney?

A I do not recall him having made any mention of it.

And I think I would recall that. I think my notes would reflect that and if they are not reflected in my notes, I would have to conclude he did not.

Q Would you mark this next in order?

(The document referred to was marked as Exhibit CJC -16 for identification.)

BY MS. NAUGHTON:

Q CJC 16 is before you now, Mr. Cooper, entitled CJC notes of discussion among McFarlan~~d~~e, A.G. Meese, and CJC dated November 21, 1986. This appears to be a typed, but incomplete document of the McFarlan~~d~~e interview; is that correct?

A That is an accurate description.

Q Can you explain to us why it is incomplete?

A Well, it is very simple. I simply didn't have time to complete it. I had begun this process with the idea that at the end of each interview I would use my notes and dictate a memo like this one regarding the interview itself.

I started that process, but events kind of swept over me.

Q Was the information on it accurate to the best of your recollection?

A On this?

Q Yes.

A Yes, I think so because I did dictate this that evening in fact and some of it the following morning.

MS. NAUGHTON: The next document is CJC-17.

(The document referred to was marked as Exhibit CJC-17 for identification.)

BY MS. NAUGHTON:

Q I am showing you what are handwritten notes of that McFarlane interview, and ask you if those are the notes you took during that interview?

A They certainly appear to be. I don't remember off-hand how many pages my notes on that interview comprised but I certainly don't notice any omissions.

Q For the record the numbers appearing on the top right-hand corner are 3093 through 3099.

They appear to be cut off at the bottom of page 2 and page 4. I would ask you whether or not you have a more complete set in your possession.

A Well, mine are cut off as well. I have copies as do you. The CIA -- the FBI has the originals, so I can't -- whether mine are superior to yours, all I can do is take a quick look. Yes, my page 1 is considerably superior to yours. I have two, three lines that you do not have. I also have a line that you do not have on page 2, the same for page 3, and -- actually yours is better than mine on page 3096. In fact, I remember when I penciled this in. It was because you advised me that that is what that said.

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Yours is better than mine on page 3097 and better as well on 3098. That is the end of it. So I will trade you my good ones if you give me yours.

MS. NAUGHTON: Why don't we go off the record for a minute.

(Discussion held off the record.)

MS. NAUGHTON: Back on the record.

BY MS. NAUGHTON:

Q I gather when you interviewed Mr. McFarlane you went basically through a chronology of how the Iran arms sales began and what transpired during 1985 and 1986; is that right?

A Yes.

Q Did Mr. McFarlane mention the November 1985 shipment regarding -- in other words his knowledge of whether they were Hawks or not?

A He did. Without my notes, I just -- have you got another copy of McFarlane's --

MR. LEON: Why don't you use mine?

THE WITNESS: There was conversation that we had with him on this subject and my notes really are the best recorded recollection, I guess, that there is of that fact, and I do not -- I am happy to review those notes to see if I can supplement it with my independent memory, but here on the third page of my notes is a discussion of the November Hawk

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episode.

BY MS. NAUGHTON:

Q What did Mr. McFarlan~~d~~e tell you about whether he knew they were Hawks in November 1985?

A He, by implication, told us he did not know because he said he thinks he first learned of it when he was briefed for his trip to Iran in May. He then described an episode or an event that took place while he was at Geneva during November 16 or 17 at the Summit and he did not suggest that in fact the strong implication is that he did not understand that there were Hawks on ~~Baord~~ board.

He says he learned that Israel had shipped oil equipment in fact. That is what he reported to us.

Q And did Mr. McFarlan~~d~~e tell you that some of the money had been diverted to the contras from the Iran arms deal?

A No, there was no mention of the contras or any diversion of any kind.

Q Did Mr. McFarlan~~d~~e indicate to you that Oliver North had ~~inciated~~ indicated to him that he may be shredding some documents involving either the contras or the Iranian arms deal?

A No, he did not.

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take 7
jm 1

Q Did he indicate to you whether any documents involving either -- well, at this point I guess the Iranian arms sale -- had been destroyed in the normal course of business at the National Security Council?

A No. I don't recall there having been any conversation about that at all, either by a question that we asked or any information that he volunteered. There was just no discussion of documents that I can recall.

Q Was he asked to provide any documents to you or to the Attorney General?

A I do recall him saying that the only thing he had was his phone logs. I do believe he said that, and I believe that the AG asked him if it became necessary for him to have them, would he provide them, and I think he said of course.

MS. NAUGHTON: Could we go off the record for a minute?

(Discussion off the record.)

MS. NAUGHTON: Back on the record.

For the record, CJC-17, we have interspersed the better copies from Mr. Cooper's records into what we previously had, so we hope that this is the best copy in terms of most complete version of his notes.

THE WITNESS: And the way to discern that with certainty is that the replacement pages do not bear a number as did the others, right?

BY MS. NAUTHTON:

Q Very good. Yes, that is correct.

Was there any discussion during the McFarlane interview of whether or not the President could make an oral finding.

A Before I answer that question, do you not want to replace your top page with one of mine, because I see that mine is much better by three full lines, not that those are important lines, but---

Q I think I have yours.

Oh, that is yours.

(Discussion off the record.)

BY MS. NAUTHTON:

Q We are back on the record.

The new page 1 has been inserted and on the page labeled 3096, that the word "not" should be inserted.

If you could explain, Mr. Cooper---

A That is on page 3096?

With respect to the line that begins "December 7, McFarlane said we should," and then there is a cross out -- "provide arms, no talk, re problem with arms already given by Israel."

Now, I don't know what is under that cross out, but I do know that the statement McFarlane said we should

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provide arms is inaccurate by my independent recollection, I can state what McFarlane said was that he maintained that he had said we should not provide arms.

And so I am now changing on the official exhibit---

MS. BENSON: Before you do that, could we go off just a second?

MS. NAUGHTON: Yes.

(Discussion off the record.)

BY MS. NAUGHTON:

Q Mr. McFarlane said he would provide you with his phone logs. Did he say that he would provide any other documents?

A No. I think that -- my recollection is that McFarlane identified phone logs as the only documents that he had that related to his time in the White House, let alone to the Iranian initiative. He did, however, as I recall it, suggest that he would be entirely willing to provide us his phone logs if we requested them.

Q I asked you earlier if there was any discussion regarding an oral finding being possible on the part of the President during this meeting. Do you recall any discussion of that topic?

A I recall generally having conversation about oral findings, yes.

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Q With Mr. McFarlane?

A Oh, no. I do not recall any discussion at all with Mr. McFarlane about oral findings.

Q Do you know whether or not the Attorney General and Mr. McFarlane had discussed, on this occasion, oral findings?

A No. Certainly not during the time that I was present, which was all but a fleeting period of time.

Q When the interview was over, did Mr. McFarlane and the Attorney General have an opportunity to speak to each other outside your presence?

A Yes. As the meeting concluded and Mr. McFarlane and I were exiting, the AG's office, more or less all of us together, he -- he was completely outside the offices, both of us were, and he kind of turned around and went back into the AG's office with the AG. I did not accompany him, however.

Q How long did that last?

A My recollection or understanding is that it was very momentary; and my impression was that, frankly, that McFarlane wanted to say something that was not in my presence.

Q Did the Attorney General tell you later what Mr. McFarlane had told him?

A My recollection is that he did advise me that McFarlane told him something to the effect that he was trying to -- I don't think the words, "protect the President" were used, but that was the essential theme of what it was that I understood McFarlane said to the AG. And the AG further told me that he had reiterated what the AG has told McFarlane at the beginning of our conversation, which was that the best protection that the President could have right now is that all these facts without distortion, without omission, be brought forward and gathered accurately and completely, and that the worst possible thing was that the way to damage the President was to provide evidence or any credibility to the claim that the Administration is trying to cover up anything.

Q Did the Attorney General tell you whether or not they had discussed or he had mentioned to Mr. McFarlane the possibility that an oral finding ever had been made?

A No. I do not recall any such mention of an oral finding, that I rather think I would remember if there had been conversation between the two of them about the oral finding.

Q After Mr. McFarlane left, what did you do?

A Well, this was also after I had this short conversation with the Attorney General in which he related to me, the equally short conversation that he had with McFarlane outside my presence. I went back to my office,and first of all, I guess I undertook to dictate my notes, I began that process, I am sure.

I also embarked upon an effort to secure access to [redacted] for John McGinnis that evening. That was a very time-consuming effort, I should also add. It was very difficult for us to get a hold of people [redacted] and to get all the hoops jumped through that we had to jump through in order to get there that evening, which is something I wanted very much to accomplish.

Q After Mr. McFarlane left, did you and the Attorney General discuss the interview with him?

A Ever so briefly, ever so briefly: just some general impressions.

Q What did the Attorney General say?

A I remember us discussing the particular exchange that McFarlane and I had had, which is not reflected in these notes. I did not take notes as I had in this exchange.

But at the -- towards the end of our conversation, McFarlane -- McFarlane throughout the conversation had said that he opposed arms to Iran consistently while he was National Security Adviser. And you will note in my notes several places, including the place where I added the "not," in which he maintained that proposition.

At the end of it I asked him if this had been his position within the Administration consistently and throughout why he had, the day before, the day before we had our little meeting, made a public speech in which I had assumed responsibility on his own shoulders personally for the whole arms to Iran initiative. It did not seem like -- that did not seem like the act of a man who had counseled subsequently against trading arms to Iran. And he responded that he -- that he felt if he had just done more, if he had just been firmer in his opposition or in his ~~assistance,~~ insistence, perhaps this never would have gotten started, and ever would have turned into such an explosive and controversial event that is obviously damaging the President...blah, blah, blah.

I did not then regard that as a persuasive explanation, but I do recall that the A.G. and I had a conversation which he acknowledged that that seemed to kind of punctuate a sentence that he had that Mr. McFarlan~~d~~e was not at ease and that he was probably not entirely forthcoming with us, and that squared entirely with my own impression of the interview.

Q Do you know what the Attorney General did after the meeting with McFarlan~~d~~e?

A I guess he went home, but I do understand that at some point that day and after he had received his commission from the President he talked to Shultz about interviewing him, and I kind of suspect -- I think that he had that conversation after we had talked with McFarlan~~d~~e.

But beyond that I can't tell you what he did. I mean I just am sure he prepared himself and things of this nature.

Q Did the attorney general make the arrangements for Mr. Richardson and Mr. Reynolds to go to the White House the next day, or did you or someone else?

A The Attorney General, I do know and understand, talked to Poindexter that afternoon and advised him of the President's directions to the A.G. and told him we would obviously want in due time to talk with him, but also we intended to review all documents in the NSC that pertain to this Iran initiative and would he undertake to gather them and make them available.

Now, there is some uncertainty in my own mind as well as evidently in the minds of others who were there on the A.G.'s team as to who may have been in touch with Paul Thompson because the A.G. and Poindexter identified Thompson and Richardson as the coordinate points of contact. I do not recall having called Paul on Friday to tell him that he should, you know, gather the documents or whatever, but -- nor do I recall having talked to him on Saturday morning and having handed the phone to John Richardson, which is what I understand is John's recollection.

But those things may well have happened. I do not have a recollection that they did, however. But in any event, somebody talked to Paul Thompson to make arrangements for John and Brad to come to the proper office in the NSC and review all the documents.

Q Were you present when the Attorney General made tha call to John Poindexter?

A No, I don't think that I was.

Q To your knowledge had anybody at the White House be told prior to the call to John Poindexter to expect a team from Justice to arrive and to get their documents together?

A No. I have no knowledge that any such communicatio was made. But I can state with some confidence that there was no such communication emanating from me to that effect.

Q By the way, if I can skip back for a minute, when the Attorney General told you that he had met with the President and Mr. Regan, did he tell you he had met with anyone else at the White House either before, during or after that meeting?

A I don't recall him having mentioned that he met with anybody else. It is entirely possible, I suspect, but the meeting that had relevance to me and that was reported to me was that he met with the President and Regan.

Q Did anything else of any consequence happen Friday, either late afternoon or evening, that you can recall?

A No. As I say, I [redacted] and expended a lot of effort trying to get John McGinnis over to [redacted] He did ultimately get to do that and spent practically the whole night over there.

MR. LEON: Can we go off the record for a second?

(Discussion held off the record.)

MS. NAUGHTON: We are back on the record.

THE WITNESS: Let me back-track a minute, because the point I was making about John going over to [redacted] the idea for doing that was -- did not come to us until John Bolton had heard and reported on Casey's testimony, at which time at least that was the first time I can recall any of us realized there were [redacted] that relate to this matter [redacted].

Apparently Nunn, in questioning Casey, had made reference [redacted] and upon John's reporting that facts we resolved we would have to have access to them as we will for our purposes.

BY MS. NAUGHTON:

Q Saturday morning, November 22nd, do you recall when you arrived at the Department of Justice?

A When I arrived there -- I would suspect that -- actually I don't recall whether I went to the Department of Justice before I went over to the State Department or after or I went straight to the State Department from home.

Q Okay. At any rate the meeting with Secretary Shultz and the Attorney General was at the State Department?

A Yes, it was in Shultz' office.

Q Do you know the approximate time of that?

A Approximately 8:00 to 9:00. Shultz apparently told the A.G., if we wanted to catch him we had to catch him at that time because he was going out of town or leaving the country or something later on that day.

Q And who was with Secretary Shultz?

A A gentleman by the name of Charles Hill.

Q Was that it, then?

A There were just four people in that meeting.

MS. NAUGHTON: If I could have this marked as CJC-18, please.

(The document referred to was marked as Exhibit CJC-18 for identification.)

BY MS. NAUGHTON:

Q I am showing you now what has been marked as CJC-18, notations dated 11-22-86, document Number 3100 through -- they are all 3100, and they all pertain to notations of your interview with Secretary Shultz; is that correct?

A That is correct.

Q Were these notes contemporaneously taken with the interview?

A They were, although your exhibit does not have all of the notes. It is deficient by several pages.

MR. LEON: How many pages do you have in yours?

THE WITNESS: I have five pages. This document has three pages, only one of which comes from my notes.

(Discussion held off the record.)

MS. NAUGHTON: Back on the record. Let the record reflect that we have -- I believe -- a whole set of your notes from the Shultz interview marked CJC Exhibit Number 18.

THE WITNESS: Which comprise page numbers 3100 to 3104.

BY MS. NAUGHTON:

Q Do these notes reflect to the best of your knowledge, are they accurate reflections of what Secretary Shultz and Mr. Hill had to say to you in that meeting?

A Yes, to the best of my recollection.

Q If you could sum up for us what it is that Secretary Shultz and Mr. Hill had to say particularly about the November 1985 Hawk shipment.

A Well, Shultz and Hill recalled the November 18 discussion with McFarlane and related it to me, to the A.G. and me in a way that was quite subsequent with what Abe Sofaer had told me; that McFarlane had come to George Shultz to make him aware of the fact that a shipment -- a transaction was then in the offing that would have as elements a transfer of Hawk missiles to the Iranians from the Israelis through [redacted] and that -- that that transfer would be accompanied by the release of Americans held hostage.

Q So it was basically a perspective narrative; that is, he is telling them what is about to happen; is that correct?

A Yes.

Q He was not telling Secretary Shultz that this had happened?

A That was my understanding.

Q What was Secretary Shultz' reaction to what Mr. McFarlane had told him?

A He advised us, the A.G. and me, that his reaction was very negative; that he thought it was a bad idea; that it wouldn't work. He advised us that he basically understood that -- the impression he got was that he was not being consulted on the matter, was being made aware of the transaction in the offing, but was not being consulted for an approval of the transaction; that it was a matter that had already been approved and set in motion.

So that was his reaction as far as he advised us.

Q Did you get a sense of how definite he was he had been told this? In other words, was his memory faint or was he fairly emphatic about what he remembered?

A No, I did not other than the precision of peripheral details. I found that he did not -- he seemed quite confident of his recollection of it and Mr. Hill seemed quite confident as well of his recollection of the phone call.

Actually, the portrayal of the event that they shared with us then was that McFarlane had come to see Shultz. The note itself, however, suggested that the information was imparted to Shultz through a secure phone call and to this day I don't know which happened, although the contemporaneous note Hill subsequently advised me suggested it was a secure phone call.

But except for details such as that, there did not seem to me to be any lack of confidence in either of their ~~themes~~ memories regarding the information imparted.

Q At that point, did Mr. Hill actually produce his notes for you?

A He did not produce his notes at that point, no.

Q Did you ask him to produce the notes?

A Either the A.G. or I made it clear that we would like to see a copy of the note itself.

Q Was there reluctance on Mr. Hill's part to produce the notes?

A He agreed readily, but I had been-- at that point I had talked to Sofaer a couple of times in an effort to get a copy of the note, and I had been given to understand there was

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some reluctance. Hill regarded these as his personal notes, not his official State Department documents, and he did not want to, as I understood it, did not want to prejudice their status as personal notes. But in the end he did two things. First, he read to me the note over the phone on Sunday. I think it was Sunday morning, and I took it down verbatim, and you have a copy of that verbatim note that I took down. And secondly, not too long thereafter, and I should think it was Monday, he gave me a copy of the note page itself.

MS. NAUGHTON: If we can go off the record for one minute.

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(Discussion held off the record.)

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MS. NAUGHTON: If we can go back on the record. If the reporter would mark this next in order CJC-19, please.

(Exhibit No. CJC-19 was marked for identification.)

MS. NAUGHTON: And mark this document CJC-20, please.

(Exhibit No. CJC-20 was marked for identification.)

BY MS. NAUGHTON:

Q Now, Mr. Cooper, directing your attention to number 19, which starts out "secure phone call, N-GS, in Geneva from one hotel to another." Are these notes you took of what Mr. Hill told you over the phone on Sunday, November 23?

A They are the notes I took regarding a conversation with Hill that was a telephone conversation. I can't say with absolute certainty it was Sunday, but that is certainly my best recollection.

Q And did you take down what he was saying verbatim or are these your interpretations of what he was saying?

A No, this is as close to verbatim as I could get. With respect to the body of the note here, that is the material underneath November 18, (1805). I recall having asked him to slow down a couple of times so I could get it verbatim.

Q And then referring to Exhibit No. 20, which has in the upper right corner, document production number J-7438 and the date in the left hand corner, 11/18. Is this the note, copy of the note that Mr. Hill actually gave to you?

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A Certainly looks like it.

Q And he would have given you this on November 24, is that correct? Monday, November 24?

A I think that is when he did, yes. I went out and had a short interview with Hill and Sofaer. On the morning of Monday.

Q Okay.

A I would note, however, that my note of my conversation with Hill and the actual note, that is CUC No. 20, that Hill took of the actual McFarlane to Shultz conversation, are not precisely identicial in terms of the information they have. My last term, my last phrase in my note is [redacted] and here is the difference,

I would have to see my version of this note in my files to be confident that this little addition at the tail end of [redacted] was reflected on mine as well that I received on Monday as well. But it is obviously not something that Mr. Hill said to me over the phone because I took down everything he said to me over the phone.

[redacted]

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[redacted]

MS. NAUGHTON: Would you mark this as 21, please?

(Exhibit No. CJC-21 was marked for identification.

MS. NAUGHTON: Back on the record.

BY MS. NAUGHTON:

Q We are showing you what is marked CJC Exhibit No. 21, which appears to be your notes of an interview with Stanley Sporkin on November 22, 1986. Is that correct?

A That is correct.

Q And were these notes contemporaneously taken with your interview?

A They were.

Q Are they accurate to the best of your knowledge?

A They are.

Q Do you recall when this meeting with Mr. Sporkin was? That was whether it was in the morning of the 22nd or in the afternoon?

A I should note that the last page of this exhibit contains a document that does not relate to my conversations with Mr. Sporkin and is numbered 3108.

Q Why don't you remove that then from your packet?

A All right.

Now, the entire exhibit relates to my conversation with Stanley Sporkin.

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MR. BOLTON: And bears document identification document numbers 3105, 3106, and 3107.

THE WITNESS: What is your question again? I am sorry.

BY MS. NAUGHTON:

Q My question was whether this interview took place in the morning of the 22nd or the afternoon?

A This interview took place, to the best of my recollection, afternoon, after lunch actually. That is my recollection and it is my recollection that -- my recollection is supported by my chronology. So, when my recollection was fresher that it is today, that was my recollection as well.

Q Does it help your recollection to point out that during the lunch of course the diversion memo was discussed. In other words, that some of the Iran arms money may have gone to the contras. It is noticable I think in your interview with Mr. Sporkin that nothing is mentioned about that in this interview.

Is there a reason he wasn't asked about it, or rather, would it lead us to doubt whether or not the interview was in the afternoon as opposed to in the morning?

A No, it doesn't lead me to doubt it. I do not recall Sporkin as having been asked about it. In fact, the only person who was asked about this after we had discussed this matter at the Old Ebbitt Grill, was North, at least in any meeting that I was participating.

Sporkin -- I don't recall whether we actually discussed that we whether we would ask him about that or not, but we may well have. That is, the Attorney General and myself. But at all events, I don't think he is somebody we would have expected to have any knowledge whatsoever about that because he had become a judge several months before any diversion would have taken place. So he just was not, as I reconstruct this -- because I don't have any recollection whether we actually discussed whether we would ask him or not -- but as I reconstruct this, I see that this would not be something that I would expect him to have any knowledge of.

MR. BENSON: Do you recall when he became a judge?

MR. BOLTON: He was confirmed in December '85. When he was ~~seen~~ sworn in, I don't know.

BY MS. NAUGHTON:

Q Did you know that at the time when he assumed the bench?

A Well, I don't remember whether I knew that prior to the time I talked to him, but I certainly knew it after the time we talked to him, because he told us the dates he was in government and when he was out. It was quite clear that he was out, that his involvement in this was by the time we had canvassed it he was just nowhere close to the contra diversion, at least the time period in which the diversion was --

MR. LEON: It was an undated memo?

THE WITNESS: It was an undated memo, yes, but it contained dated items of reference and one can identify its date. I think it is May actually. I think it is May. I don't recall precisely what the dates are or the terms of reference, but --

MR. LEON: It was read in April.

THE WITNESS: The memo?

MR. LEON: Yes.

THE WITNESS: In any event, this document reflects that we did not ask him about the contra diversion. It definitely reflects, it would have reflected if we had asked him about the contra diversion, and that does not shake in the least my recollection that we talked to Sporkin after lunch rather than before.

BY MS. NAUGHTON:

Q Then in that case, do you recall when the lunch took place?

A My recollection is that the lunch took place as I have here, from 12:30 to 1:45.

Q And you interviewed Mr. Sporkin then say sometime around 2?

A Yes.

Q Then, let's go to the luncheon first. Had you agreed with Mr. Reynolds and Mr. Richardson ~~we~~ who were at the NSC reviewing documents on the morning of the 22nd, to meet them at a particular time and place for lunch?

A I thought that is what we had done. I do not believe that I called them to say, why don't you meet us at Old Ebbitt Grill or anything, I think this was all pre-determined.

Q And when you got to Old Ebbitt Grill, were they already there or did you wait for them?

A I will be darned if I recall. I just don't know whether they were there or whether they joined us. It seems to me we went to a table all together so maybe they were there or came in virtually contemporaneously with us.

Q Do you recall what you started discussing once you were all together?

A Probably --

MR. BOLTON: In what order.

THE WITNESS: Many things. With respect to this matter, I don't recall particularly except I am sure that the AG and/or I related to them that we had met with Shultz and that, yes, he had confirmed the note and the conversation and probably whatever else was important and noteworthy about the conversation we had with Shultz, we probably relayed it to them.

At some point during that conversation Brad made known, of course, that he had come across a memorandum which contained a reference to funding the Nicaraguan resistance.

Q When you said "Brad", you mean Brad Reynolds?

A Brad Reynolds.

Q Can you tell us exactly what he told us to the best of your recollection?

A Just that in his review of documents he had come across a document that contained a reference to a diversion of some of the profits from the arms transactions and I think he probably suggested the figure which my recollection is was in the neighborhood of $12 million, or something like that, but a diversion of profits from the -- generated by the arms sales to the Nicaraguan resistance.

Q Did he tell you what this document purported to be, that is, did he tell you that it looked to be a memorandum to a certain person from a certain person, or these were simply sketches by someone, or did he describe it in any more detail?

A I think that he probably did describe it further, yes. I don't recall specifically how he described it, but you have the memo and I have, of course, seen the memo since then, and I can't -- to the extent he did describe it, I am sure he described it in a way that is consistent with the reality of it and I did not understand at our lunch that it had a particular addressee, for example. That, I did not understand particularly. I did not understand that the President was the addressee.

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Q Did he know who the author was?

A Well, I don't recall there having been any statements made by him with respect to its authorship, although there was likely to have been some speculation that it was authored by North.

Q In other words, speculation was during the lunch?

A I am saying that seems to me like it was a likely topic of conversation -- who authored the memo.

Q When he first raised the subject of what he had found in this memo what was your response?

A One of ~~the~~ surprise, and this I think took us all unaware as to this being a possibility -- the AG's reaction was one of equally evident surprise, perhaps even more evident in terms of his surprise.

I did not immediately appreciate the legal significance of this. I am not sure I still fully appreciate the legal significance of it, but for example, I was not closely acquainted with the requirements of the Boland Amendment or with any appropriations restrictions on aid to the contras, or with the debate that had raged about that. I mean, I was acquainted with it obviously as a member of the public and as a member of the Administration, but this was not something I was immersed in by any stretch.

Q When you say the Attorney General was ~~described~~ surprised, can you please describe his reaction as accurately as you

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[redacted] could?

A Yes, although I hope you don't ask me to do --

MR. BOLTON: You may have to classify this.

THE WITNESS: -- to do this in public testimony, because I would find it difficult to report my recollection of his reaction, which is that he said, "oh, shit."

BY MS. NAUGHTON:

Q Anything else?

A Nothing that sticks in my mind. Nothing that made an impression on my mind. We did have further conversation about this memo but --

Q Was there a discussion at that lunch of what to do with the information that was imparted?

A If there was, it related to confirming that this eventually took place, something which was obviously not at all certain from the description of the memo that to the best of my recollection, Brad imparted to us.

So, the first step was to confirm it and try to figure out what it meant. Aside from the obvious political ramifactions that it had if it did take place.

Q Did you discuss those?

A I don't recall anyone articulating specifically those kinds of points. You know, if it did happen, then I don't think anybody there had any doubt that it would be an extraordinarily politically controversial and explosive element of this whole thing.

Q On the way back from the lunch with the Attorney General, did you have a similar discussion?

A The AG and I did drive back together and I do recall as having some conversation where he -- I do recall him expressing concern about the possible use of these monies for the contras, that it was suggested by this memo.

Q Specifically do you recall what he said?

A I really don't. I just have a general recollection that he made note of that as being a cause for concern if this was accurate and we needed to find out if it was.

Q You are speaking about concern now in a political sense?

A Yes. I think -- at that point, I think the AG's sensitivity from a legal sense, was greater than my own. His knowledge of and background and association with the Boland Amendment back and forth, was substantial and much more substantial than mine, so I would suspect that he was expressing a concern that had primarily a political component, but with a recognition that this may have legal implications as well.

You are still --

He just didn't articulate it clearly, just concern.

Q But when you say concern, do you -- did you recall did he say "I am concerned about what Congress will do with contra aid?

I am not quite clear how this concern was imparted about the contra aid.

A No, it wasn't -- that was not the impression I got, but he didn't say I am concerned about bla, bla, bla. He said, I am concerned about this reference to contra assistance, not that I am concerned about the political ramifications, or I am concerned that the law may have been violated. Just, I am worried about this reference.

Q Did he say why he was worried about the reference?

A I do not recall him having articulated particularly why. It is not something that -- I mean it was sufficiently obvious that this was a matter for concern, and for worry, and he may have used the term worry, it would seem more likely that he used that term than he used the term concern, really, to me.

But it seemed obviously, he didn't feel it necessary to explain obviously, and I didn't feel it necessary to probe. This was a worrisome element of all this. That didn't need articulation.

Q Once that document had been discovered, and you learned about it at the lunch, was there any discussion of what to do to secure the documents to make sure that they were not shredded or stolen?

A No, no, I don't recall any such discussion. We, you know, John and Brad were there making copies of documents and they had identified this document as one they wanted a copy of, so I don't think anybody entertained -- certainly the thought never occurred to me -- that the document, having been identified and reviewed by Brad, that it would somehow disappear.

Q So there was no discussion of it?

A I don't recall any discussion at all.

Q Did Mr. Reynolds or Mr. Richardson tell you that Oliver North was at the White House as they were leaving?

A Yes, he did. In fact they did. In fact, they noted that North was positioned during their review of documents in a proximity at a desk that was sufficiently approximate that they could hear him making phone calls and I think they suggested it appeared to them that he wanted them to hear him making phone calls. I don't recall who he was calling.

I also recall them suggesting that he had made mention of the fact that he had retained a lawyer.

Q He told them that?

A He told -- yes, that is my recollection. And just generally he was attempting to at this point, engage them in conversations and to relate to them whatever it is that they wanted him to relate to them. He wanted to talk to them right then.

"Let me tell you about --. Let me give you my story on this right now."

That was -- that I can recall them having reported to us.

Q Was any decision made then, was it at lunch the decision was made when and where to interview Oliver North?

A I don't recall when that decision was made, but I do recall early on conversations devoted to ordering the interviews and I do recall as well that there was general consensus that North should be -- we should discuss this matter with North last after we developed information from other people who had some personal knowledge.

MR. BOLTON: Just to clarify one thing on the record. You used the phrase ordering the interviews. Did you mean directing that interviews take place or establish the order in which they would take place?

THE WITNESS: The latter.

BY MS. NAUGHTON:

Q Do you know how the arrangements were made with Oliver North to get him into the interview on Sunday?

A My understanding was then and is now, that the Attorney General contacted him and made the arrangements directly.

Q Do you know when that was?

A I don't know. My best judgment and recollection on this essentially I guess on this, would be Saturday afternoon, but I just don't know. I do recall that North called to postpone by some relatively brief increment of time his interview with us. I think it was scheduled to take place Sunday around noon or perhaps even Sunday morning, but North evidently contacted the Attorney General and asked if he could come in later, like 1 o'clock or so, and the reason that I recall that, according to the AG, was that North wanted to, in keeping with his usual practice, go to church and have lunch at McDonalds with his family.

Q Were you there when any of these calls to North occurred?

A I do not believe that I was.

Q So this was related to you by whom?

A I am sure it would have been the Attorney General. The AG was to the best of my knowledge, making the interview arrangements with all the individuals that we were interviewing that he was participaing in the interview.

I made arrangements regarding interviews of people that I either alone or with John McGinnis interviewed, but all the other arrangements, as I recall, were made by the Attorney General.

Q Okay.

After lunch you met with Mr. Sporkin, correct?

A That is my recollection.

Q And you have before you CJC No. 21, your notes of the Sporkin interview, is that correct?

A Yes.

Q And do these appear to be complete and accurate notes of your interview with him at that time?

A They appear to be.

Q Could you summarize for us what Mr. Sporkin told you about the November '85 Hawk shipment?

A Yes. He related an account of it to the effect that in the immediate aftermath of the shipment, he received a call from McMahon and McMahon was concerned about the shipment and so he sent over two fellows from the OPS division who knew what had happened so that they could outline to Sporkin what had happened and Sporkin could render some legal analysis in connection with it.

Sporkin identified Ed ~~[illegible]~~ Dietel as having been with him when these two fellows, ~~showse~~ whose names he could not remember, came to discuss the matter with him. And the thing that struck me about it was I guess the fellows from the OPS Division, according to Sporkin, told of an arms shipment and transportation that they had played some role in regarding the arms.

He could not remember what the arms were. He did not --

MR. BOLTON: He, being Sporkin?

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THE WITNESS: Sporkin.

He did not respond when Hawks was suggested to him. It did not jar his memory but he did have a memory that, to the effect that he was advised that there was an arms shipment, not oil-drilling equipment.

So in light of that fact, it seemed that somebody in the CIA must have known if they told Sporkin after the fact, they must have known at that time or before the fact that there were Hawks on the plane so that struck me as having particular significance.

BY MS. NAUGHTON:

Q Did Mr. Sporkin also tell you about the so-called mini-finding of November 26, 1985, which he drafted subsequent to this revelation?

A He did, but he didn't use the term "mini-finding," to my recollection. That term I did not become introduced to until later in the evening.

But he did describe the fact that it was his judgment that a finding was necessary if this kind of matter was going to continue, and so he drafted one up.

MS. NAUGHTON: If I could have this marked next in order, please, CJC, I believe, 22.

(Exhibit No. CJC-22 was marked for identification.)

BY MS. NAUGHTON:

Q Did you eventually see a copy of the November 26 finding?

A I did. The so-called mini-finding.

Q Do you recall when you first saw it?

A Yes. I think I saw it, my recollection is that I first saw this in Dave Doherty's office on the evening of the 22nd.

Q So we are referring now to Exhibit No. 22 entitled "The Director of Central Intelligence, November, 1986, Memorandum for Vice Admiral John M. Poindexter."

A Yes. Although your document marked No. 22 is a two-page document, of which the finding is the second page.

Q Yes.

A The first page appears to be a memorandum for Poindexter from Casey and it is not a document, to my recollection, I have ever seen.

I have, however, seen the second page of this document, which is the finding itself.

MR. LEON: Unsigned?

THE WITNESS: I have never seen a signed version of this, no.

MR. LEON: Did you ask him if it had been signed?

THE WITNESS: Sporkin?

MR. LEON: Yes.

THE WITNESS: No, I don't think there was conversation about that, but there was in Doherty's office on that question.

BY MS. NAUGHTON:

Q Did you decide, then, to go on Saturday evening to the CIA?

A Yes.

Q And do you recall when you went?

A Yes. Well, my notes reflect and my memory does not dispute that I went over there in the neighborhood of 6:00 and stayed to very nearly 9:00.

Q Prior to leaving the Department of Justice, were you aware that the Attorney General was going to visit with Mr. Casey?

A I don't think that I was. I don't have any recollection to that effect. But it is certainly possible that he advised me of that fact. I do not recall it.

Q Did he tell you either the next day or any other time later what he and Mr. Casey discussed on Saturday evening?

A Well, I can't recall when I learned what they discussed, but I did ultimately learn what they discussed. I don't recall having had conversation with him about it, for example, the next day. I can't say to you that I didn't have conversation about it with them the next day. I just don't recall having had it.

Q When you did have a conversation about it, what did he tell you was discussed?

A Well, I can't recall a specific conversation on it, but I do know that information about it came to me.

I do have a general recollection that we had some conversation about his earlier conversation with Casey. I do remember him making reference to at some point Furmark, and the complaining that certain businessmen were doing about not getting their money. I cannot pinpoint for you when it was that I had that conversation.

When I say, "I had a conversation," you know, many of these conversations are not just one-on-one conversations. They are discussions that would take place generally in the context of the whole group gathering to discuss the matter.

There weren't that many one-on-one conversations that I had with the AG, although there were a few.

Q Okay.

It is not as important when he told you this or in whose company, but specifically of the meeting between Mr. Meese and Mr. Casey Saturday evening, your recollection that Mr. Meese told you they discussed the Furmark visit and that Furmark had said that investigators were complaining about not getting their money?

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A I can't tell you whether that is a subject matter that was taken up that Saturday night or whether that is something that was discussed as between the two of them, you know, very shortly thereafter, Sunday or Monday.

I know that the memo itself, the so-called Furmark memo, did not come into the Attorney General's possession until the 25th, at least that is my understanding.

And I know that they discussed it, but I guess -- I can't say with confidence that they discussed it Saturday night or that they discussed it shortly thereafter. I just don't know. I know they discussed it.

MR. BOLTON: Could I have just one second?

(Counsel confers with witness.)

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(4:30)

Q When you say they discussed it, do you mean they discussed it prior to the Department of Justice receiving Mr. Casey's transmittal of the Furmark memo on November 25th?

A Yes, I think that that is certainly correct.

Q Do you recall the Attorney General relating the Furmark visit or episode or information, whether or not Furmark's comment to Mr. Casey that the investigators felt the money had been diverted to the contras was mentioned?

A At some point or another, yes, it was.

Q So, in other words, at some point before the 25th you have some sort of rumor or corroboration in the form of a rumor that someone else might know there was a contra diversion?

A Yes.

(Counsel conferring with witness.)

THE WITNESS: I should, I guess, be more specific than I have been previously with respect to this business about Furmark. It is not my understanding that the Attorney General discussed the matter of the contra diversion with Casey on Saturday night. That, in fact, it is my understanding that he did not discuss the matter of the contra diversion with Casey on Saturday night.

BY MS. NAUGHTON:

Q How do you know he did not?

A He has testified in a couple of different contexts that that is the case and I have no information contrary to that.

I do know that the Furmark memorandum, which incidentally I have never read, but which I understand has either displayed in it a reference to the possibility that the moneys that these investors were concerned about were transferred to the contras, or Mr. Casey, in conversation with Furmark or people associated with him, learned of this complaint or this possibility.

I also understand that the document that covers the Furmark memorandum that Casey sent over makes reference to the fact that the AG and Casey had discussed that Furmark memorandum earlier. Whether that had taken place, whether earlier, that is obviously something that I don't know. But I don't want to leave any impression that I have any inkling or evidence to the effect that Casey and the AG, as of Saturday, discussed the contra diversion. In fact, all the evidence that I have is to the effect that the AG specifically refrained from discussing at least what he knew about the indications that we had that there might be a contra diversion involved in all this.

Q Did he tell you that he did not discuss this with Mr. Casey?

A I don't recall him having told me that he didn't discuss this with Casey, but he did tell two committees, Intelligence Committees of Congress this, and I heard him, I was present at that time, and I don't recall him having said this to me previous to that time.

Q But does your answer still stand that prior to Mr. Casey's transmittal of the Furmark memo that there was some discussion between yourself and the Attorney General and perhaps others of what Mr. Casey had told him regarding the Furmark memo?

A No, I don't think that was my testimony and if it was, I would like to revise it, because I think that my -- I don't recall I guess prior to November 25th having had conversations with the AG about this Furmark business or that I had ever heard the name Furmark prior to November 25th. I am not even sure that on November 25th I heard that.

November 25th is important only because now I am acquainted with the document, the Furmark memorandum, which Casey, on the face of the cover memo, anyway, suggests he sent him on the 25th and it references the fact that they had conversations about those documents prior to the time that he sent them to them. So from that, I infer that there had been some conversations between the two of them, at least Casey, apprising the Attorney General of the information that Furmark had shared with him.

(Counsel conferring with witness.)

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THE WITNESS: Well, I do not recall -- I should go back on the record -- I don't recall there having been any reference in the cover memorandum that Casey sent the AG relating to contra, to any reference by Furmark to the contras.

I do, however, have a general recollection, and I would -- I would suspect with confidence that this pertains to a period of time after the 25th. But a general recollection of a conversation in which the AG referenced his knowledge from CAsey or from this memorandum that Furmark was complaining and making specific points about the possibility of a contra element to the moneys that he was -- that his investors were out of.

BY MS. NAUGHTON:

Q You didn't see the cover memo or did you?

A No, I have seen the cover memo, yes.

MR. LEON: From Casey to the AG?

THE WITNESS: Yes, cover letter, cover memo, whatever.

BY MS. NAUGHTON:

Q At first you told us that the cover memo referred to prior conversations Mr. Casey and Mr. Meese had with Mr. Furmark. Then we broke and Mr. Bolton spoke to you and now you state that the cover memo did not reference prior conversations.

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A No, I was unclear perhaps. The cover memorandum, as I recall it, and I haven't studied it recently, but as I recall it, made reference to the fact that Casey and the AG had discussed the documents that Casey was transmitting to him, and that obviously Casey had agreed to send him these documents.

Among those documents was the Furmark memorandum, which I understood to be a memorandum that Furmark sent to Casey complaining ~~about~~ on behalf of investors, about moneys that they had loaned and never been repaid. I don't think I have ever read that document. But that is my understanding of its content.

And that there was also another document that somebody at CIA, probably or perhaps Charlie Allen, had drafted that related in some general respect to this Furmark business. I think Charlie Allen had interviewed Furmark or discussed the matter with him, went up to see him, I think is the case.

The cover memo did not make any specific reference, to my recollection, to the contras or the possibility that that is what happened to these moneys that the investors were complaining about, but it did make reference to Casey and the AG having discussed those documents.

Q Prior to the transmittal of the documents?

A Yes. One can infer from that memorandum that they discussed those documents prior to the time that the cover letter was authored because it references the discussion and the cover letter is dated the 25th, and I also recall the AG making it specifically known to committees that I heard him testify to that he received it on the 25th.

I also recall having been a participant in a conversation in which the AG referenced the fact that Furmark had raised this prospect of a contra element to these funds much earlier with Casey than of course we had become acquainted with the possibility of a contra element to these funds. I cannot state with certainty when I participated in that conversation, but my general recollection and my strong, reasonably confident conclusion is that that was after November 25th.

Q After the -- well, was it after the criminal division had been called in to take over the investigation?

A I --

(Counsel conferring with witness.)

MR. BOLTON: Could we have that last question read back, please?

(The reporter read the record as requested.)

THE WITNESS: It was -- I can't say that it was after the time that the matter was -- that the FBI was called in to continue and complete the investigation. I just really don't recall. Although, obviously, my own participation in that -- in this whole matter was discontinued almost completely at that point, which was Wednesday -- whenever Wednesday was.

BY MS. NAUGHTON:

Q Did the Attorney General tell you this before your participation was completed?

A Well, I really can't tell you that he did. I don't have a present recollection for when it was that this conversation took place. Even after my own personal involvement in the investigation was completed, there were various subsequent conversations of a general nature with the AG, so it is possible, though I would have to agree with the suggestion of your question that it is entirely reasonable and perhaps even likely that it occurred before that Wednesday evening when, you know, I faded out of the hands-on investigatory work.

Q Getting back, then, to the Casey meeting with Mr. Meese, what do you recall Mr. Meese telling you about the substance of that conversation?

A I just recall his reference to Furmark and Furmark's prior relationship with Casey and that Furmark had somehow -- had suggested that the moneys that his clients had invested in this or loaned to people involved in an arms transaction had been used for purposes of

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assisting the contras, his suggestion of that. And that Furmark had apparently made these claims or suggestions early -- you know, as early as a couple of months before we started our weekend investigation, and I have a general recollection that according to Casey, he mentioned it to Poindexter, that Poindexter put him at ease on this fact.

Q Casey had mentioned it to Poindexter?

A Yes.

MR. LEON: How?

THE WITNESS: How had Casey mentioned it to Poindexter?

MR. LEON: How did he put him at ease?

THE WITNESS: Evidently, to the effect that that is not accurate, that is not true.

BY MS. NAUGHTON:

Q Getting back to the CIA meeting Saturday night from 6:00 to 9:00 p.m., you interviewed -- first of all, did anyone accompany you to the CIA that evening?

A Yes, John McGinnis.

Q Did either you or Mr. McGinnis interview Mr. Clarridge?

A No, not that evening. We did the following day.

Q When you did, I just want to stick with that for a minute, when you did interview Mr. Clarridge, what was his position regarding his knowledge of the November

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HAWK shipment, do you recall? I don't have your notes before me and I don't intend to put them into evidence.

A That is because they don't exist. I didn't take notes of that interview and didn't participate in it in any significant way.

John McGinnis conducted that interview and took notes, but the two noteworthy features of the interview, as I recall them being reported to me by John, were that Clarridge maintained that he was told oil-drilling equipment and that he was the one who fielded North's call for a -- the name of an airline or provision of a plane that could accommodate a very bulky load on short notice and very discretely, and the other significant thing, I guess, is that Clarridge also attempted to arrange through [redacted] as I understand it, [redacted] some kind of flight-landing authority or something that was necessary for the November shipment from Israel, the original plan from Israel to [redacted], and on to Iran if the hostages were released.

Apparently there was a hang-up [redacted] and Clarridge said that he tried to arrange to fix that hang-up through [redacted]. Those two events stick out in my mind as being significant.

Q Did you on either Saturday evening or Sunday morning speak to Mr. ~~Jamison~~ Jameson from the CIA?

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A Yes. Both occasions Jameson ~~Jamison~~ was involved. He is with the General Counsel's Office. He was taking a very active role in the CIA's effort to get its arms around its own facts and what have you.

Q At any point, did Mr. Jameson ~~Jamison~~ tell you that there was some question that perhaps the pilot of the proprietary airline used had knowledge that it was military equipment aboard?

A Yes.

Q Can you tell us how that came about?

A Yes. Actually, the only time I can remember Jameson ~~Jamison~~ having made that known or that possibility known was when I was at CIA on the morning of Casey's testimony, and at the very end, as we were hustling out, Jameson ~~Jamison~~ whispered to me that, something to the effect that they have an indication or there is some suggestion or evidence to suggest that the pilot who flew the Hawks into Iran knew there was something other than oil-drilling equipment onboard, and specifically that there was some kind of military equipment.

MR. LEON: When did he say that to you?

THE WITNESS: The morning of Casey's testimony, Friday morning when I was out there in Casey's office and it was the very tail-end of -- literally almost as people were leaving to go up to the Hill. He just kind of -- it

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was an aside, almost.

BY MS. NAUGHTON:

Q What significance did that have to you?

A It had significance in that it suggested that somebody at the CIA, anyway, that this pilot at a minimum was aware of the fact, and it further raised, I guess, further concerns about the -- not concerns, but it tended to support the State Department's side of this.

Q Were you concerned at that point about Casey's testimony; in other words, Casey testifying that no one at the CIA knew it was military equipment?

A Well, actually I should have been, but I wasn't because it just did not click to me that there was still a reference in the testimony to the effect that CIA, nobody at CIA knew. I just did not put the two together.

MR. LEON: Did finding click in your mind, the need for a finding?

THE WITNESS: Not particularly. I don't recall having had -- I don't recall having responded mentally to where was the finding or anything.

BY MS. NAUGHTON:

Q Is it your position -- if I can digress for a minute -- that a finding would not be required if oil-drilling equipment was being sent for intelligence purposes?

A No, it is not.

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Q So it is the CIA involvement, in your mind, that triggers the finding, not the materials involved?

A Exactly. It wouldn't matter what was on that plane.

MR. LEON: Would that have to have been a knowing involvement as opposed to if they had been duped into thinking it was one thing when in fact it was another?

THE WITNESS: Well, if it was part of a significant intelligence activity, the fact that they thought it was oil-drilling equipment and it turned out to be Hawks wouldn't matter, because oil-drilling equipment would be -- it wouldn't change the character of the event as being a covert operation.

MR. LEON: It is the conduct.

BY MS. NAUGHTON:

Q Sunday morning you went again to the CIA; is that correct?

A Yes, and in relation to your question, the earlier question, Dewey Clarridge did advise, as I understand it, McGinnis, and I may have been present on that score, that there was a cable, some kind of [redacted] cable traffic from the pilot to ground control to the effect that the pilot answered military equipment or something like that in response to the question "what do you have onboard?"

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Q Clarridge told this to Mr. McGinnis?

A Yes. That is my recollection.

Q Did you ask anyone either Saturday night at the CIA or Sunday morning at the CIA about diversion of these moneys to the contras?

A No, I didn't.

Q Is there any particular reason why you didn't ask?

A Yes, there is. The reason is that it seemed important to take North unawares on that point, and I had no confidence at all if we asked about that matter at the CIA that that matter would be -- would not be reported back to North.

In fact, I had the gravest doubts that it would not be reported back to North in some form or another.

Q Do you recall when you briefed Mr. McGinnis about the diversion memo?

A I don't recall, no, I don't, but he and I have had conversation about it since that time.

MR. LEON: Do you want to take a break?

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(Recess.)

MS. NAUGHTON: Let's go back on the record then.

I had asked you about Mr. McGinnis' knowledge of the diversion memo. Could you just tell us when you recall telling him about it?

THE WITNESS: I don't recall telling him about it. I don't recall when I told him about it. He advises me that he did not learn of it and I did not tell him of it prior to the Monday, which strikes me as quite odd, but I don't have any recollection of it now.

Certainly I do not dispute his recollection of it.

BY MS. NAUGHTON:

Q Do you recall him telling you on Monday that there was a rumor at the CIA that the funds had been perhaps diverted to the contras?

A Actually, I don't have a recollection of that, of him making that statement to me on Monday. I do, however, recall him telling me that he had picked that up. And he says that is when I told him that we have other reasons to suspect that happened or something to that effect.

That is when I made him aware, he tells me, of the memorandum or the reference in the memorandum and whatever it was that North told us Sunday evening confirming the memorandum.

Q So you did not have a specific recollection of when he told you about the rumor at CIA regarding diversion. Is

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Is that accurate?

A That is accurate. I do recall him making that known to me. I can't tell you that it happened on Monday from my own recollection, but neither do I resist in the least John's recollection on that.

I defer to his recollection on that.

Q Do you recall that it happened before the Attorney General's press conference?

A I would suspect that that is correct, yes, because if it had happened after it would not have -- I mean I don't even know if he would have mentioned it. It would have reduced it into insignificance.

Q While you were at the CIA on Sunday morning, did you meet with Director Casey?

A I did.

Q Can you tell us how that came about?

A Yes. I met with him because Charlie Allen did not want to impart to me certain information, actually the name of a contact within the Iranian Government. He throughout the conversation was expressing inhibitions and objections to the nature and sensitivity of the information we were looking for.

I can recall him expressing objections to John McGinnis' presence since we could not assure him that John had had the necessary clearances in the formal ways. This was

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of similar -- similar kind of objection. He did not want to relate to me this name and I thought that was not a reasonable position for him to take in the circumstances, but he very abruptly suggested, well, I am not going to state this name until the DCI himself tells me.

He picks up the phone and calls the guy, calls Casey in his office.

MR. LEON: DCI?

THE WITNESS: Yes.

I had no idea until that moment that Casey was in his office, right there in the same building, but he called him and then he either in that conversation or in a separate phone call moments thereafter, Casey called down to him, I think that is what happened, and asked us to come up to see him.

So we did. We trooped off to see him. And Casey indicated that he had discussions with the AG and the AG agreed that it wasn't absolutely necessary, at least at that point in time, for Charlie to tell me the name of the character; but that we should continue on with our conversation.

BY MS. NAUGHTON:

Q Excuse me. From the time you were in -- was it Mr. Allen's Office?

A Yes.

Q Until you went up to see the Director, Director Casey, he had spoken to the Attorney General?

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A Yes.

Q Okay.

A That was my understanding.

Q What else did Mr. Casey tell you?

A Only that he stressed, as I recall, the very sensitive nature of this fellow's name and Allen had done so previously. He had suggested that if this name ever was made public, the consequences would be extremely dire for him and Casey simply said that in the circumstances, if it did become necessary for me to know the name, for us to know the name, that they would, of course, provide it, but until it became absolutely necessary, they didn't want to do it and Meese had agreed to those terms.

Well, the conversation didn't last five minutes and then we went back down to Allen's office and resumed the interview.

Q Did you discuss anything else about the Iranian arms sales with Mr. Casey at that time?

A No.

Q Did he ask you how the inquiry was going?

A I don't recall any chitchat of that kind.

Q Did Mr. Casey refer to the meeting he had had the night before with Mr. Meese?

A No, he didn't.

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Q After you finished at the CIA, did you go to the Department of Justice?

A Yes.

MR. BOLTON: Was that on Sunday now?

THE WITNESS: This is Sunday morning now.

BY MS. NAUGHTON:

Q Sure.

A Sunday. Yes, I did. I went back to the office.

Q Do you recall what time you got back to the Department?

A Well, it was, from my chronology, I would place it sometime probably around 11:30 or so because my chronology reflects that we left the CIA and we concluded our business there in the neighborhood of 11:00 o'clock. I had actually thought, to tell you the truth, that we had been out there more than two hours, but we did split up the interviews once John was kicked out of mine.

Q Before Oliver North arrived for his interview at the Department that afternoon, did you have a meeting with the other members of the team to discuss how the interview would go, your strategy for interviewing Mr. North?

A I don't really recall having outlined any particular strategy on that. I guess the interview was unusual in that all four of us attended whereas previously only the AG or the AG and myself were involved in the interviews that we had ha

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at DOJ anyway, at the Justice Department.

But I don't remember formulating any particular strategy or any way of approaching it. I think the AG had been working on that in his own mind and he had a strate outlined in his own mind.

Q Speaking of that, if I can digress for a moment, is it your understanding that the Attorney General spoke wit Defense Secretary Weinberger at some point during the weeken

A Yes, it is. Actually, I can't tell you that it wa not on Monday. He may well have discussed the matter with him on Monday, but sometime between the time we spoke with McFarlane and the time of the Tuesday announcement, he had h a conversation with Weinberger, a telephone conversation.

Q Did he tell you what Weinberger had said to him?

A No, or at least if he did, it wasn't significant enough to stick out in my mind. I think the significant thin about Weinberger was that there was nothing significant.

Q There was no specific conversation then as to Weinberger's knowledge of the HAWK shipment or any requests from the CIA for similar equipment in the fall of 1985?

A No. Actually, there had been no transfers out of DoD prior to the finding. The replenishment that took place for -- that ultimately took place to replenish the 508 TOWs that Israel sent in September didn't take place until sometim several months into 1986, so there had been no transfers out

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I am sure that the AG would not have had conversation about that.

My recollection is that Weinberger, he was sick or his wife was sick or something and he was not viewed as a particularly momentous or important contributor to this whole thing.

Q Back to the North interview then; do you recall what time during the day it took place?

A Well, I don't have a recollection different from the one that is recorded here in my notes, my chronology which suggests it took place from plus or minus 2:00 o'clock to 5:45. That is my best estimate.

Q And did the Attorney General absent himself for part of this interview?

A He did, towards the end of the interview. I am sure we had been going on for two hours at a minimum and probably closer to three by the time the AG had to go pick his wife up at the airport.

We then continued on for another hour or thereabouts with North.

Q Did you take notes of this interview?

A I took maybe one note. John was our scrivener, our notetaker during the interview.

Q John Richardson?

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A John Richardson. I do understand, I mean Brad took some small amount of notes, but John was our designated notetaker.

It was his responsibility to be the notetaker.

Q Now, using your recollection then, do you recall what Colonel North had to say about the November 1985 shipment of HAWKS?

A Well, I recall it was rather confused, but yes, I do have a recollection of that, a recollection that I would defer to the notes on, but I do have a recollection of his --

MR. LEON: We have John's notes if you would like to look at them.

THE WITNESS: I have them here actually. I recall our probing that area.

BY MS. NAUGHTON:

Q In the interest of time, I don't want to go through all the notes, but do you recall what he said in general about his state of knowledge as to whether the November 1985 shipment was HAWKS or oil drilling or something else?

A Well, let me tell you what I can recall as we sit here.

He did say that he was told it was oil drilling parts, equipment, I think he said by Rabin's man, Rabin's attache or something, who was in New York at the time and he

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came down to see North as a result of Rabin's call to McFarlane for assistance in the problems they had developed [redacted] on an operation that was important to our mutual interests.

So he learned from that fellow or at least that fellow represented that there was oil drilling equipment on this cargo.

North said that he -- I mean somebody asked him if he had any doubts about whether there was oil drilling equipment and he confessed that he did and that if push came to shove, he would probably -- basically, that he strongly suspected that there was something other than oil drilling equipment, but that he could pass a lie detector test on that question -- he made that point specifically -- as to what he believed and understood was involved.

MS. NAUGHTON: Let's go off the record for a second.

(Discussion off the record.)

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THE WITNESS: That is about all I can recall in terms of his statements regarding whether it was Hawk or oil drilling equipment, although I do remember that he learned he said from Secord that there was actually Hawks on that plane. But this-- it was my understanding he learned subsequent to the actual shipment, and he learned even after that from Nir, or at least it is my recollection that he received that Nir subsequently told him as well that this involved Hawks.

BY MS. NAUGHTON:

Q Was it his position that this shipment was at the instigation of the Israelis? In other words, a unilateral transaction?

A Yes. It was his position that this was something they were doing that they needed our help for.

Q Did --

A This was another place where I referred earlier to his use of the term "dork." He said this whole thing was "dorked up" and if he had been involved in it from the beginning it would not have been screwed up, but that Secord, when Secord came on the scene as a result of North's instigation, Secord did a long memo on how totally screwed up the whole thing really was.

Q Did he stick with his story that he had jawboned the Iranians into giving the Hawk missiles back?

A I think he retreated from that story somewhat. Because I think he said, and there is references somewhere in those notes to which I would defer, but I think he indicated that they -- that the Iranians did not -- were not pleased with the Hawks. I think he confided that to us. And I think that is in here somewhere.

Q Either prior or during this discussion with Colonel North was he asked if he had an attorney?

A North?

Q Yes.

A I don't think so. I don't recall him having been asked that.

Q Did he mention having an attorney?

A I don't recall that either.

Q Did he mention the name, Tom Green.

A No. I am quite confident he didn't mention Tom Green's name. I think the first time I had ever heard Tom Green's name was the following day.

Q Did Colonel North say that any documents had been destroyed or were missing?

A No, he didn't.

Q Not even in the normal course of NSC activity?

A No, he did not.

Q Was there any statement made to Colonel North to preserve documents or to gather them or to give to you, provide

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to you any documents?

A The one thing that comes to mind in response to that question is an episode in the conversation which when his attention was focused upon the smoking gun memo, he asked not long after he recognized the memo if there was some kind of a cover sheet or cover memo with it.

And I don't know who said no, but I guess it was Brad who was authoritative on the thing, said no, and then my recollection is somebody, and I think the A.G. said, is there supposed to be?

And North said no, essentially he just wondered, but that he did not -- he did not suggest to us that the document was incomplete.

He simply seemed entirely satisfied by the fact that there wasn't such a cover sheet. But the notes, John's notes, reflect that North at that point essentially suggested that he would look further just to double-check that there was no such cover sheet.

That is the only -- and I don't have a specific recollection of that, and the only reason it comes to mind in response to your question is that I went through this precisely with representatives of Mr. Walsh.

MR. LEON: Did he suggest it was just a draft?

THE WITNESS: What -- the memo, the smoking gun memo?

MR. LEON: Yes, the diversion. A rough draft as

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opposed to complete.

THE WITNESS: I --

MR. LEON: Do you have a sense?

THE WITNESS: Yes, I have a sense that we were talking about a document that was not a final document. As I recall the document has -- it looks like a draft, it has interlineations, it has strike-throughs or cross-outs or something, not many, but a few and one presumably wouldn't send that on as a final document.

But the point that seems more -- whether it was final or not, it was a document that North suggested went only to Poindexter and that the only people in the Government who could have known about the matter of the diversion was Poindexter and McFarlane, or to his knowledge, who likely would have known or who did know to his knowledge.

BY MS. NAUGHTON:

Q Was he asked specifically if the President knew?

A Yes, or there was conversation about that. Obviously we were keenly interested in just how high this knowledge went. And he, as I say, indicated that the only people that he thought knew were McFarlane, Poindexter and himself.

MR. BOLTON: We are talking about what people knew here was the contra diversion?

THE WITNESS: The contra diversion or who had received any version of this memo, because I can recall the A.G. asking about what the normal N.S.C. filing practices are and where -- the point he was trying to elicit was that if this document had gone to the President, surely there would have been some version other than this one in the file, and if not, you know, where would such a document be housed, how could one double-check to make sure that the thing hadn't gone up to McFarlane -- excuse me -- to Poindexter or Regan or the President or the Vice President or anybody like that.

So, yes, there was conversation about that and he gave us to understand that he did not think this had gone to the President.

BY MS. NAUGHTON:

Q Was he asked if there were any other documents which outlined the diversion?

A It seems likely that he was, but I don't have a specific recollection in mind now. I would imagine that any such statement, if he was asked, would be contained in these notes, however.

If they are not in the notes, I would have to conclude he wasn't.

Q When he was shown the diversion memo, could you describe for us his reaction?

A Yes. Actually, my reaction, and I think -- and this

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is an area where as I in the past have reviewed these notes, I am unclear as to what the message is in these notes -- my recollection is that the A.G. handed him the memo prior to the time that he asked him about the contra diversion, that the A.G. handed him this memo and asked an innocuous, entirely unnoteworthy question or two before he asked him about the contra diversion.

So my reaction is when he got the memo his composure didn't change in any particular way, because my reaction is that he did not, when he got the memo, he did not immediately recognize the significance of the memo.

But his composure did change when the mention was made of the contra diversion to the Nicaraguan freedom fighters.

Now, it may well be that his composure changed as soon as the memo was placed in his hands, but that is not my recollection. I just stated to you what my recollection of it is, but his composure changed and he obviously -- it changed from calm to one of great surprise.

Q What did he say when asked about the diversion? Or when asked about the contras?

A He just answered the questions. I mean, he didn't have any exclamation, no expletives or anything like that, but his facial expression was markedly -- was quite perceptible.

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Q Did he deny it at first?

A No.

Q What is the first thing you recall him saying about it?

A I think he just -- I don't really recall except that -- beyond that he was answering questions put to him by the Attorney General, and acknowledged the contra diversion element.

I don't think it was long at all, perhaps the very next question, when he was asked how much was diverted. He said he really didn't know, but he knew who did know, and that was Secord.

MR. LEON: Were you sitting right across from him, facing him, Chuck?

THE WITNESS: Yes. I was sitting next to the Attorney General who was sitting directly across from him, but he was also in front of me. Brad was sitting in a position such that he was next to or to the side of North.

BY MS. NAUGHTON:

Q Whose idea did North say it was to divert the funds to the contras?

A Nir. Nir of the Israeli Government.

Q When Oliver North left the interview, could you tell us what the substance of the conversation then among those of you who had interviewed him was?

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A I do remember us all remarking that the change in North's composure on the raising of the contra diversion issue, that was perceptible to all of us, and we concluded, I guess, that he really hadn't expected that to come out, to come to light.

And I am sure we had additional conversation about it, but I can't remember any specific points that were made. I know that my own thinking at that point started to, with new seriousness, incline toward the legal issues, and I recognized that we needed to really get a solid footing on what legal implications there were to this, now that we had confirmed the suspicions that had been created by this memo.

At least confirm to the extent that we believed North, and this seemed to us to be something we believed him on.

Q Did you discuss whether or not you should share this information with anyone or if you should keep it closely held?

A I don't recall having discussed what our attitude on that should be, although -- specifically -- although I do know this.

At that point the question was, it seemed to us, and whether we discussed this immediately in the aftermath of North's interview or beginning with the next morning or that evening, but I do think that John Richardson, Brad Reynolds and I, I recall us going to my office and brain-storming a little bit on this fact and where it placed us.

And it may well be that -- well, we recognized the sensitivity of this information, the fact that it was information that had to be made public by the President and nobody else, that if the Washington Post made this fact public prior to the time that the President did, it would be very calamitous, because no one would believe that we had discovered this along the lines that we had and that it was something that, you know, we fully intended to make public.

The point was can we verify and touch the bases that we need to touch between now and the time that we make this public before some other leak or some other reporter or something gets wind of this.

We didn't have a sense that there was, you know, a Post reporter or anything else breathing down the neck of this information, but we did fully discuss and recognize that it may well be no more than a week away.

So we recognized clearly that it was important that this information be made public by the President, that it not be leaked in any way and that it be made public before anyone else made it public through whatever means they

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might obtain the information.

At that point we had no confidence that North might not take measures to make it public or other people who knew about it.

Who else knew about it? The Israelis knew about it. Secord knew about it, the contras, we assumed, knew about it -- so that is the flavor for the kinds of things that were kind of rushing pell-mell through our minds.

But there was a unanimous and the most enthusiastic, vigorous agreement on the proposition that the President himself had to make this public pronto.

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Q Was that communicated to the Attorney General?

A Yes, I am sure that it was. I don't think it is something that the Attorney General needed a news flash from us on, however. I am sure that he -- I mean I don't recall anyone trying to convince anybody that these were the facts of life here. We were quite -- everybody seemed to be instinctively cognizant that it would be calamitous really if this information was made public in any way other than the President himself doing it.

Q Was there a discussion then about securing the documents, perhaps getting the FBI to go in and secure the area so that documents wouldn't be destroyed?

A No. I think there was Monday, and I am certain there was no later than Tuesday, but I don't recall as having had any conversation about being concerned or worried that some documents would be destroyed at that point. Or at all, really. I mean, I may be too trusting and too naive, but that is an inconceivable event almost to me. But it did not occur to me that people were likely to be destroying documents, particularly not them.

To the extent that you think to destroy documents, that the reason to destroy documents was to at that point to obscure the fact of the contra diversion, it was too late. It was too late. And I can't think of any other element of this that would come close to rising to the

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level to justify people taking so extreme -- doing such extreme things as to destroy documents they know other people are interested in looking at for the highest purpose here.

So no, I don't think there was any discussion at that point about securing the place.

MS. NAUGHTON: Did you have specific questions on the North interview -- because I am done.

MS. BENSON: Just a few if I could.

MR. LEON: Why don't you take your time and do what you want.

EXAMINATION ON BEHALF OF SENATOR ORIN HATCH

BY MS. BENSON:

Q Did you show North any documents other than this undated memorandum in your interview with him?

A I do not recall having done so.

Q Could you give us just a little better feel for how this interview was conducted, and did North come in and was it informal and friendly or was it formal and hostile -- give us a little flavor for the meeting.

A It was very informal and very friendly. North was -- you know, seemed quite gregarious in his -- and friendly to each one of us. I recall him referring to me as Coop, and that is a -- that I think bespeaks the attitude that he was taking in that matter, and nobody there was taking a hostile attitude toward him. We were businesslike,

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however, and that is I guess about the best I can do.

Q What was the purpose for your having called him in. At this point was it to learn more about the entire Iranian Initiative or to confront him with this memorandum or both?

A Before we even learned about the memorandum we had intended to speak with North and to speak with him last because he was to us the most knowledgeable person, likely to be most knowledgeable of the whole thing. When the contra element was discovered it just added another area of inquiry that we had to take up with him.

Q Did you attempt to go through that chronological fashion with him at that time the significant events of the Iranian Initiative?

A Well, I am not sure that it was entirely chronological, but the AG did the great bulk of the questioning on this, and the order in which -- and it was in a general sense chronological. That is the way he had -- my recollection is, and I think my notes will bear that out, that is the general outline or system that he had in his questioning.

But I am sure there are certain places where they are skipping around.

Q When you got to the undated memorandum, the so-called diversion memorandum, was there any suggestion by

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the Attorney General or the others in the room other than North that that memorandum indicated some wrongdoing?

A Was there any suggestion by us?

Q Yes.

A No, none at all.

Q Did there seem to be any inference to that effect from North?

A Yes. I won't say there was inference of wrongdoing, but my recollection is he described it towards the end of this as the only black -- the word "black" sticks in my mind -- he may have used another word like dark -- but it is the only black element of the whole thing. And I can recall him expressing out loud the hope I guess that that matter would not have to ever be made public.

Q Did he mention any kind of a commercial cutout or private enterprise being the recipient of that money?

A No.

Q Not in any fashion?

A No. His explanation was that the Israelis conceived of this plan and that Nir had placed -- that he then went to Calero, got account numbers, gave them to Nir and then Nir put the scrape-off into the accounts. He did suggest that Secord would know how much the contras got, but he didn't suggest that Secord was pulling strings.

Q Did he specifically state it then that the money

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would have gone into a Swiss account number, into an account controlled by Calero, is that your recollection?

A The only name, personal name associated with the contras was Calero's. He did mention Calero and he mentioned that he had gone to Calero and either given him three account numbers or gotten from him three account numbers. In any event, there were three Swiss account numbers understood to be for contra use.

Q After you heard this from him was there any suggestion to him, Colonel North, this was United States government money, Treasury money that belonged to the United States, how could you think you had the authority to divert it in this way -- was there any discussion of that nature?

A No, none at all. I don't think anybody there had by that time thought through whether this was U.S. money or not. and on the face of it in fact it wasn't clear at all that this was U.S. money.

Now, I think those of you who are familiar with my opinions on this recognize that I believe there is a very substantial argument that this was U.S. money, but that was -- that was certainly not the inference that flows from the facts that he related to us naturally.

Q When you first learned of the diversion, the feeling in old Ebbitts Grill was that this is bad news, this looks bad, right?

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A Well, yes -- I mean that was certainly the sense that I was gripped by, more the political implications than -- struck me immediately much more so than the legal implications, although I was savvy enough to realize this probably had some legal implications.

Q Of course the political ramifications would only be there if there were possible legal problems, wouldn't that be a fair statement?

A I don't think so.

Q In your -- after you have shown him this memorandum, how long did you discuss it? Can you think back and give us any estimate of how long you probed this with him on just exactly what happened?

A It is very hard for me to state with any confidence how long we discussed either this memorandum or the event that it described regarding the contras. I would think it probably consumed at least half an hour of our interview with him, probably more than that.

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Q And when you finished with that discussion with Colonel North, were you satisfied that you had at that point understood what had taken place with respect to any diversion?

A Well, I don't think any of us had anything approaching absolute confidence, but it seemed all quite like a quite believable, reasonable explanation for what took place.

So I did not find it inherently doubtful.

Q Did you come away thinking it was Israeli money or American money?

A From that conversation?

Q Yes.

A I really didn't form an opinion on that. It was not at all long after this Sunday interview that I and my assistant devoted considerable time doodling on just that question, but I certainly had not formed any even impressions at that time.

Q Then I take it you and your assistant did a legal analysis of this issue, of the possible diversion of funds?

A Not long thereafter, Monday night certainly, no later than Monday night, John McGinnis and I discussed, and John had been looking at this issue at my request during Monday, what the potental legal ramifications were of this diversion and obviously we identified things like the Boland amendment and possible misappropriation to personal use of

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government money~~s~~, Antideficiency Act, Neutrality Act, there were a host of things that we went through and we have and I am sure you all have notes of the matters we discussed.

As we thought through it, we became sufficiently concerned that there might have been, that this thing might have been unlawful under a certain understanding anyway of whose ~~moneys~~ monies those were; that is, an understanding that would have had all or a part of the ~~moneys~~ monies belonging to the taxpayers that we, you know, I discussed, and the AG wanted us to do that and I reported back to him we were a little concerned about that.

On the face of it, though, Dee, the money appeared under the description that North offered to be the Israeli's money.

Essentially, they received X TOWs, paid X dollars to the United States and then turned around and sold them for whatever they could make off them, was theirs.

The thing that immediately occurred and one of the reasons that -- and this is really why it took us til Tuesday to identify a potential theory of illegality such that it would justify calling in the FBI, because we had to identify some theory under which this money belonged to the United States and therefore that it had legal consequences under our laws, that it was sent to the contras or kept or anything else, kept by the Israelis or whatever.

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We spent a good deal of time thinking through the question whether this was our money, some of it was our money or all of it or none of it was our money, the United States' money.

It occurred to us immediately that, well, it looks like this is Israel's money, but then the question becomes, well, did we receive in the $12 million that we got for the TOWs which was an Economy Act price, was that fair market value?

Is this the money we would have gotten in an arm's length transaction under the Arms Export Control Act with Israel?

And if it was not, if it was considerably less than that, we concluded that perhaps maybe some of that money could be said to be due and owing to the United States taxpayers and as long as that was true, if some of it went to the contras, then it seemed to us we had a Boland amendment problem, potential problem.

Q Was it your understanding under the Economy Act that the Department of Defense could only sell to the CIA for a specified price something like book value?

A That is the understanding that I think we ultimatel developed, yes. And on Monday night, I think it was Monday night, perhaps it was Tuesday, but in any event, one of those evenings, we had a lengthy meeting with the people from the

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Department of Defense, their officers who were in charge of sending the TOWs out the door and were in charge of sending these particular TOWs out.

And we at length discussed with them the accounting on all those.

It was designed to, for us to educate ourselves on whether or not an arrangement could be made that some of this money was in truth due and owing to the Government and that was Monday night.

Let the record show that I have been advised by counsel that --

MR. LEON: Wait a minute. That would be Tuesday night; 25th.

THE WITNESS: Tuesday evening my chronology reflects the meeting that I described with Susan Crawford and other people from the Department of Defense on this.

BY MS. BENSON:

Q So under the Economy Act, the Department of Defense was restricted in the price it could charge another branch of the Government, in this case, the CIA, correct?

A As I understand it, the Economy Act sets the price.

Q Now, when the CIA, in turn, sold those weapons to the Israelis to the Secord enterprise directly to the Iranians, was it your impression that the Economy Act then restricted the amount the CIA could charge?

A No.

Q The CIA, in your opinion, in your legal opinion, could have charged any amount they wanted to?

A Well, I don't know about that, but it was not my impression that the Economy Act governed the sales price of that transaction.

I think the CIA probably had authority, it may well even have had authority under -- it has got some extraordinary statutes, it may well have had authority to give these things away, but the point is the Arms Export Control Act was relevant only in terms of the price that it set to the CIA because I knew or had been given to believe that the CIA, in turn, turned around and charged the same price to the Israelis or to the Iranians, whoever it was who was paying that price, plus some additional for preparation and for transportation.

So then the question, it seemed to us, was is the Economy Act price less than a fair market value arm's length transaction price? And we discovered, in fact, it almost certainly was, though we got varying accounts as to how much less it was and I don't know to this date if -- well, I am sure the DoD has figured it out on that one.

Q After talking with Colonel North about this then on Sunday afternoon and then doing your legal research, did

6 you make any other attempts to factually determine whose money that was?

A Yes, I did.

As I say, I can remember talking to Abe Sofaer, I think it was Monday, maybe Tuesday, but very prominent in my mind and in John McGinnis' mind at that point, we were working on this question, so I talked with Abe Sofaer, it was his view that all of the ~~moneys~~ monies that Iran had paid were due and owing to the United States.

I have subsequently come to see that there is a good deal of merit to that view. But at that time, I have to tell you I did not think that that view had merit as I was talking to him because I was conceptualizing this transaction as one out of CIA into Israel into the Iranians, two buyers, and two sellers.

I since have come to believe that the appropriate way of visualizing this transaction is one out of the CIA into the Iranians with an intermediary.

Q The intermediary --

A A transaction between the United States and Iran, not between the United States and Israel.

Q And the intermediary being which entity, or which person?

A Israel. That was my view at the time, yes. Of course, even then we knew that one of these transactions,

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I think a shipment of a thousand TOWs did not involve the Israelis, any intermediary activity by the Israelis. I think that was in February or so.

Q I thought I just heard you say that now your view is that it was U.S. Government to Iran through an intermediary?

A That is the way I find it most reasonable conceptually the transaction now.

Q I am just asking who was the intermediary?

A' Israel. I mean, I am not making a factual judgment here for you, I am saying that was the assumption on which I developed this conceptualization that I am sharing with you. I did not know facts different from that.

Q So -- I don't want to take too much more of your time, and the counsels' time -- but was it that assumption that it may be the United States Government's money that led Attorney General Meese to hold his press conference on Tuesday, the 25th?

A No, on the contrary. By that time, this thinking that I am sharing with you was still in full swing and no conclusions -- I can't tell you the conclusions have even yet been made, but the thinking was still unformed and still at that time while I think I had perhaps thought through to at least the possibility of this conception whereby all the ~~moneys~~ monies were due and owing to the United States, it is

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not something that I have sat down and walked the AG through by then and the AG was still -- and I had not become personally at rest on it by then.

But we know that the AG was -- he was under the impression that, indeed, this was not U.S. money and -- or at least he said we are still -- in his news conference -- he said we are still looking at this question, but it appears that there was no U.S. money transferred to the contras.

But he hedged all his statements with all kinds of disclaimers in terms of the level of confidence that he had.

Q Why then the press conference if at that point he didn't know if it was U.S. Government money?

A At that moment, the primary motivating concern was not "Was this U.S. money that was illegally diverted?" That is something we still haven't -- I still haven't come to rest on and the Justice Department, I don't think, has a position on.

It was that "This is an explosive element of all this, something new, something very, very politically sensitive, assistance to the contras."

We had all been acquainted with the argument that is raging now between the Congress and the President as it has for years regarding that policy and it just seemed very explosive.

Whether it was legal or not, I mean even if nobody would ever have remotely questioned the notion that this money belonged to Israel for them to do what they wanted to do, we still recognized that this had the potential of doing exactly what it did do.

Q I was going to say --

A If there is any -- if there was any doubt in our minds about it, it was erased completely Tuesday at around 1:00 o'clock.

Q. Just one last question from me, and I am sure Dick can explore this further tomorrow, but you indicated that it was your collective judgment, you and I guess Brad Reynolds and others who had interviewed North, other than the Attorney General, John Richardson, yes, that the President should make this disclosure.

Was any attempt made to have the President make this disclosure rather than the Attorney General?

A When I say the President, I mean the Administration. I did not mean to suggest there that he personally should go before the cameras and make known details, but that this is something that had to be perceived as coming from the Administration as a fact, as an element of this whole controversy which was already quite hot, but that element of it had to be something that was made known by the Administration in the nature of making public its

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discoveries about it as they happened, particularly discoveries of this significance.

MS. BENSON: Thank you. Thank you.

MR. LEON: I will have stuff on that tomorrow. It has been a long, long day.

MS. NAUGHTON: Thank you very much.

(Whereupon, at 6:18 p.m., the taking of the deposition adjourned, to reconvene at 9:00 a.m., Tuesday, June 23, 1987, at the same place.)

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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

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DEPOSITION OF CHARLES J. COOPER

Tuesday, June 23, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D.C.

The Committee met, pursuant to call, at 9:10 a.m., in Room B-352, Rayburn House Office Building, with Pam Naughton, (Staff Counsel of House Select Committee) presiding.

Present: On behalf of the House Select Committee: Pam Naughton, Staff Counsel; Richard Leon, Deputy Chief Minority Counsel; and Tina Westby, Associate Staff.

On behalf of the Senate Select Committee: Richard Parry, Associate Counsel.

On behalf of the Witness: John R. Bolton, Assistant Attorney General, Department of Justice; and Thomas M. Boyd, Deputy Assistant Attorney General, Department of Justice.

MS. NAUGHTON: We're back on the record for the

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second day of deposition fof Charles Cooper. The date is June 23rd, 1987.

If the people around the room could please introduce themselves.

My name is Pamela Naughton; I'm Staff Counsel to the House Select Committee to Investigate Covert Arms Transactions with Iran.

MR. LEON: Richard Leon, Deputy Chief Minority Counsel, House Committee on Iran.

MR. PARRY: Richard Parry, Associate Counsel with the Senate Select Committee on Iran.

MR. BOLTON: John Bolton, Assistant Attorney General for Legislative Affairs.

MR. COOPER: Charles J. Cooper, Assistant Attorney General for the Office of Legal Counsel, and your faithful deponent.

MS. NAUGHTON: Okay, Mr. Cooper, you were sworn under oath yesterday, and, of course, the oath stands.

MR. COOPER: Of course.

Whereupon,

CHARLES J. COOPER

was called as a witness and, having been previously duly sworn, was examined and testified further as follows:

THE WITNESS: Before you begin--

MS. NAUGHTON: Sure.

THE WITNESS: --continue with your questioning. I want to make note on the record that I brought with me today the chronologies that we discussed yesterday and that were declassified by the White House yesterday.

If appropriate, I will identify them for the record.

We have--that is, my assistant, Nelson Lund, has examined our files at Justice and discerned that these are all of the different copies of chronologies that we have in those files, and he's marked them OLC 1 through OLC 10.

OLC 1 is the date chronology, and it appears to be the one from which I worked because I recognize my handwriting on a couple of very minor interlineations.

OLC 2 is a chronology that is--that is marked 11/20/86 1300 in the righthand corner, and that is the identifying legend the NSC put on it. It also appears to be the copy from which I worked--in fact, I can assert with certainty that it is the copy from which I worked because it does have my interlineations on it, particularly on page 6 wherein the November Hawk episode is described.

This is the document which was my dominant working document, the version of the chronology of the various versions that we received from the NSC. This is the one that I used in my work during that weekend.

MS. NAUGHTON: However, it's dated 11/20.

THE WITNESS: Right.

MS. NAUGHTON: Does that mean that is not the one you got on the 17th of November?

THE WITNESS: Yes. I think that is what that means.

OLC 3 is a document that is not from NSC, but rather is a chronology that John McGinnis did independently, and I don't know why it's in here, but here it is. That was not among the documents I requested, but certainly it's among those that I'm happy to provide you with.

OLC 4 is another of the three-page date chronologies and it doesn't appear to bear any interlineations that would identify it as belonging to any particular person.

OLC 5 is another date chronology, three pages.

MR. LEON: What's the date on that one, Chuck?

THE WITNESS: November 20th, 1986, and that is also the date on OLC 4.

OLC 6 is another date chronology and it bears the date 11/20/86 1930. And I can provide no other information about it.

OLC 7 is a copy of the long narrative chronology which is dated 11/20/86 2000 hours. I do not immediately see any marginalia that would identify this as being any particular person's copy.

MS. NAUGHTON: So, Mr. Cooper, although you may have seen this, this was not your primary working document?

THE WITNESS: That is absolutely right. I am sure I saw all of the different versions, at least to lay eyes on and know that there was a different version, but never did I closely study, let alone compare these various versions, except for the one that I've identified as my working operating document. And that one, I only studied closely with respect to the prefinding events, which was the dominant, almost entire focus of my own concerns at that time.

MS. NAUGHTON: When you say ''that one,'' you're referring to the 11/20 1300?

THE WITNESS: Yes.

MS. NAUGHTON: OLC number 2.

THE WITNESS: Yes. The one that has my marginalia, and yes, I think that's the one that is OLC 2.

OLC 8 is--is a chronology that has a--well, first of all, the second page of OLC 8 identifies this as a long narrative chronology marked 11/17/86 2000 hours, and it has marginalia in it, but it is not marginalia that--or it is marginalia that it had on it when we received it. This is not--these marks are not the marks that anyone in the Office of Legal Counsel put on it, to my knowledge.

It also--the first page of this document is a document that I don't readily recognize.

MS. NAUGHTON: Mr. Cooper, do you know when you received this one? It's dated the 17th.

THE WITNESS: Right, and the best recollection and estimate that I, combined with John McGinnis, can give you is that we got that on the 17th sometime, but we obviously didn't get it before the 17th, and it's possible that we got it on the 18th, but our best guess is we got it on the 17th.

OLC 9 is a--OLC 9 is barely visible here so I will improve it by marking it myself--OLC 9 is a narrative chronology dated 11/20/86 1300, and this document bears the interlineations and markings of my assistant, John McGinnis.

So it appears that this was his dominant working version, as well.

MS. NAUGHTON: Do you recall, Mr. Cooper, if you had studied this document?

THE WITNESS: I had studied my copy of that document, yes, but I don't--that was not my working version of it. That was John McGinnis' working version of it, his personal copy. I have a copy of his with his interlineations, but my dominant working copy is the one that I've previously identified.

MS. NAUGHTON: Do you know if you have a copy or your copy of this, as opposed to Mr. McGinnis'?

THE WITNESS: Yes, I do, and it was my copy that that was--

MR. LEON: Number 2.

THE WITNESS: Yes, it is from my copy that the copy I just gave you was taken.

MS. NAUGHTON: All right. So number 2 and number 9 are the same chronology, although number 9 is Mr. McGinnis'?

THE WITNESS: Yes, that's right.

In other words, they are the same version of the NSC--of the many versions of the NSC chronology. They are the same version.

OLC 10 is a document that I also don't readily recognize, but it is headed ''Subject: Background and Chronology of Special Project.'' So--and I cannot--it also has Ollie North, his name, in somebody's handwriting in the righthand--

MR. LEON: It looks like--that's Poindexter--Poindexter's initials.

THE WITNESS: And it has beneath that the initials JP. Now, I do not recognize this document.

MR. LEON: It's dated what?

THE WITNESS: I don't see a date on it, other than the declassification date here in the left--lower lefthand corner. It's a three-page document and Nelson Lund apparently found it in our files. I don't know where it came from and I do not readily recognize it.

MS. NAUGHTON: For the record, Mr. Cooper, that was already placed into evidence by us yesterday.

THE WITNESS: Okay, that's already been identified as an exhibit.

MS. NAUGHTON: Yes, and at the time, you did not, as I recall, you did not recall having seen it before.

MR. LEON: Exhibit 3.

MS. NAUGHTON: It makes reference to--on the second page, in November 1985, as the next step in the operation, the NSC arranged for Israel to send 18 Hawk missiles to Iran.

Do you know when you received this document?

THE WITNESS: No, I don't. My best guess for you is that that document was among the documents that were obtained as a result of the review of John Richardson and Brad Reynolds. I do not remember ever having seen the document, let alone receiving it from any source.

MS. NAUGHTON: So, would it be fair to say that you did not see this document until after the Attorney General's press conference?

THE WITNESS: That's entirely possible. I mean, assuming that I had seen it. This emerged--I take it that this emerged from our files, but I do not readily recognize this document.

MS. NAUGHTON: Would it be fair to say that had you received it around November 17th or November 20th, the reference to the NSC arranging for the Hawk shipment to Israel would have caught your eye?

THE WITNESS: Yes, it would be more than fair to say yes. That would have caught my eye and that document would have been a document of major, major significance to me.

MS. NAUGHTON: Very good. thank you.

If I could have the reporter, at the end of the deposition or during a break, mark these exhibits next in order--I believe we left off with Exhibit CJC Number 22. So these should be 23 through 33, I believe, or 32.

THE WITNESS: Also, before we resume the questions and answers, I would like to share with you the fruits of some additional reflection and minor research that I did last night upon thinking of some rough spots in the testimony yesterday.

I think--it was certainly helpful to me and I think it'll also be helpful to your understanding, as well.

First, I recall testimony yesterday dealing with my trip and my conversations that immediately preceded my visit to the CIA on Friday morning, in anticipation of Mr. Casey's testimony. The thing that inspired me to reflect on this was your showing me a copy of what I understood yesterday to be Director Casey's testimony to the HPSCI and the Senate Committee on Intelligence.

And it would probably be helpful to me if we could dig out that document, although I dug out my own copy last night and I looked at it again and further reflected upon it.

And in just a moment, I will get to the--I will get to the pertinent references in that document because I do not believe that is, indeed--at least that the exhibit number--

MS. NAUGHTON: We have Exhibits numbers 13 and 14 you identified as drafts of Mr. Casey's testimony.

THE WITNESS: Okay, yes, and the one that is identified as Exhibit Number 13 was the draft that was under discussion in the meeting in Poindexter's office on Thursday afternoon, and that continues to be my recollection.

The one that is marked as Exhibit Number 14, yesterday when I reviewed it, I focused particularly my attention on the passage dealing with the November episode and I don't know whether I identified it as the version that was the final version that we were dealing with on Friday morning in Casey's office, or whether I didn't quarrel with that proposition, but whatever it was, I do know that in my mind, I accepted the fact that this was the final version.

and I do not believe it is. I am confident that it is not, in fact.

So--

MS. NAUGHTON: Had you see this draft before?

THE WITNESS: Yes, I had, yes, I had. I had seen this draft before. I have a copy of this draft and I have a copy of Exhibit Number 14. What I do not have a copy of, and what it appears you may not have a copy of is the version from which we were working on Friday morning, which did not contain two very important references, and which caused me to have consternation yesterday that I had simply--you will recall, when you asked me quite perceptively, why I did not recognize the significance of what Mr. Jameson told me about the pilot possibly knowing that there was an oil drilling equipment for the statements made in this version. The statements are, ''this little air''--excuse me. The statement's, ''neither the airline nor the CIA knew the cargo consisted of 18 Hawk missiles.''

There is, subsequent to that, another statement--

MR. LEON: Where are you reading from, Mr. Cooper?

THE WITNESS: I'm reading from page 2 of that document, which is also identified as page M10008.

MR. LEON: The first paragraph?

THE WITNESS: Yes, it's the first paragraph, and evidently the only--or the principal paragraph that deals with CIA's state of knowledge regarding these HawkS.

Later in that paragraph, there's also the statement, ''To the best of our knowledge, neither the Israelis nor the Iranians knew that they were dealing with the CIA proprietary, not did airline personnel know what they were carrying.''

Well, as you noted yesterday, and as I did not immediately--and as I basically accepted, that was in--these statements would not be entirely consistent with what Jameson told me. And I simply--I had no explanation other than I didn't make the connection, I suspected, or I guess I just didn't make the connection.

Well, upon the reflection of it, I came to the conclusion that these statements were not in the version that I was dealing with as the final version out there in Langley on Friday morning. And another thing that suggested to me that this was not the final version is that a sentence that I very vividly recall suggesting be placed in the testimony, and this was among the minor revisions that I identified as having been made right up until the very end. I identified this yesterday.

A sentence that I advocated being inserted, and which was, was a sentence to the effect that the Senate committee should basically understand that these are the best facts that we have, based upon the information that we've been able to gather thus far. But our efforts continue and as facts that are relevant to this come to the fore, those facts, of course, will be made known.

Now, that sentence nowhere appears in this version and no such suggestion appears in this version. Now, upon my reflection on these points last night, I called George Jameson and his recollection was precisely as mine. He also told me that he needs know nothing further than that this document is dated 20 November '86 2000 hours to know that was not the final--that was 8:00 Friday night, and my conversation that I previously testified to with Doherty--excuse me, 8:00 Thursday night in my conversation on Thursday night with Doherty, came fully, he says, four hours after that. He says I called him at midnight. I didn't think it was that late, but it is entirely possible that it was and he advised me that he had taken out completely the sentence ''no one in the United States Government.''

He also remembered, and I now recall very confidently that this is correct, that the reason he took that out, as he explained to me that Thursday night, was that the sentence said, ''Nobody in the USG found out that there were Hawks until January.'' Until January.

MS. NAUGHTON: Uh-huh.

THE WITNESS: And putting to the side, you know, who knew what there at the time it happened, he knew, from Stan Sporkin, that Sporkin knew there was something other than oil drilling equipment and something that was arms, though he may not have known they were Hawks, prior to January, and in fact, within a few days at the maximum of the time that the--that the shipment actually took place.

So he knew that was inaccurate, even though he didn't have the same basis for knowing that it was inaccurate that I did. He also advises me that I did not tell him why I thought it was inaccurate, just that I had information that it was inaccurate, and he also tells me that it's his firm recollection that I did not, the following day when I was with Casey and the others, explain what the basis for my concern about its accuracy was, just that we had received evidence that it was inaccurate.

I am perfectly--I mean, I defer to his memory on that. His is firm; mine is not firm at all. I just don't recall whether I outlined why.

MS. NAUGHTON: Since we're on the subject--

THE WITNESS: Yeah.

MS. NAUGHTON: --if I can show you another draft now of what we believe is the testimony. I would like to have that marked at this time--I think it would be CJC 33.

[The following document was marked as Exhibit CJC 33 for identification:]

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q You'll notice--first of all, I'm showing you what's been marked as CJC 33, which is an undated document, entitled ''Presidential Finding,'' and it begins by saying, ''Let me begin by stating the obvious.''

A Uh-huh.

Q The House Intelligence number on the document is 330085.

A This appears to be a statement made--drafted for a person to say, and it has the form of Mr. Casey's draft testimony as given.

A That certainly would appear to be correct.

Q I'd like to direct your attention to page 3, in which it begins by saying ''chronology.'' And it says, ''In late November 1985, the NSC asked the CIA for the name of a discreet, reliable airline which could assist the Israelis in transporting a planeload of Israeli Hawk missiles to Iran. The name of our proprietary airline was given to the NSC, which, in turn, passed it to one of the intermediaries dealing with the Iranians.''

In other words, there's no reference to oil-drilling equipment or bulky cargo. The paragraph--

A Uh-huh.

Q --states it was Hawk missiles and that the NSCS, the CIA to provide the name of an airline to transport Hawk missiles.

Do you recall having seen this draft?

A No, I do not.

Q Is there any--

A This is not among the drafts that I have pored over during that period of time, or at least, it's certainly not one wherein this statement was made.

Q Is there any way you can tell from your insertions during any of the drafting sessions or any insertions you know were made that you could date this document? In other words, whether it was generated before the drafts you have just discussed or after?

A I think to give you an answer that is useful to you, I'd really have to read this document because I do not recognize this document. I do not think I have ever read this document before. I know I have never read the passage you just directed my attention to before.

Q That's fine; I won't put you on the spot, Mr. Cooper. What I'd like to do, then, is provide you a copy of all the exhibits at your deposition so you can go over them in preparation for your public testimony and maybe get a better chance to look through some of these drafts so that you're more certain.

A Well, I'm happy to do that, but I don't--let me just make clear, I don't have any wont of certainty regarding my acquaintance with this paragraph that you've just directed my attention to and this was not among the chronologies that I am familiar with or that I pored over in an effort to make them accurate.

Q All right. Had you seen this draft, would this paragraph have alerted your attention?

A Oh, my goodness, yes. This was obviously the uppermost concern in my mind at the time. The dispute or the discrepancy that had surfaced concerned who knew what was on that plane, particularly with respect to Hawk missiles. And this further corroborates the State Department version that somebody in the USG at very high levels knew that there were Hawks on it, but this is my first acquaintance with this document, or at least this paragraph.

But before we move on any further, let me close the loop on the point I was making about the version that we discussed yesterday, that is, CJC Number 14. I asked Dave, and I talked to him last night, as well as George Jameson, if they could consult their own documents because this is the best version I have. This is the latest version I have and where I got it, I can't tell you, but I asked them if they could consult their own files to see if they have the later version. They both agreed entirely with me that this is not the version we were working off of and that the version we were working off of did not contain these references that I've already identified regarding the state of the knowledge of airline personnel.

Dave, in the time that was available to him, has not identified anything that he understands to be the final Casey testimony from which Casey read, but he did have a transcript of Casey's testimony and he read the pertinent paragraph to me, and it is consistent with my recollection and his and George's that, indeed, the phrases that I've identified were not testified by Casey.

It also--that transcript also reflects that--at the end of his testimony, he made essentially the disclaimer that I thought should be made regarding the state of our knowledge and the continuing efforts to improve the state of our knowledge.

So I just--I thought it important to try to smooth out that rough spot in my own recollection yesterday and in the transcript.

There is one other thing that I tried to smooth out in my own mind last night, and that dealt with this Furmark subject matter that we discussed yesterday. I--we had some conversation back and forth about when it might have been that the Attorney General discussed the Furmark memorandum or the Furmark episode with Casey.

I have consulted the cover memo and my recollection was accurate. It does reference that they had discussed it prior to the--the cover memo dated November 25th references a prior conversation, though that conversation--I mean one would infer that that conversation took place that morning, which is entirely possible, or at least, the promise by Casey to provide the documents took place that morning.

I reviewed Mr. Meese's transcript on the Tower--to the Tower Board and his testimony there was that he and Casey--that Casey brought up the Furmark business on Saturday night when he went by his house, so they--he did have conversation with Casey about the Furmark angle on all this, evidently Saturday night, and so, therefore, I think we can conclude--I conclude that it was entirely possible that the conversation I referenced yesterday, and of which I had then and do now a general recollection of having participated in with the AG, could have happened as early as Sunday, whatever Sunday was, the 23rd, but I am very doubtful that it did happen on Sunday. I just don't think we got around to--I do not recall that having happened in what I can remember from the Sunday sequence of events, but I think it probably didn't happen too much after that--too long after that.

So that is by way of improving your understanding of the matters that I discussed yesterday, as well as improving my own recollection of those matters.

Q Okay. Thank you. I appreciate the clarification and might I say we appreciate you getting those documents cleared for us so quickly at the White House.

A And I will return to you now these exhibits.

Q These are 14 and 33.

Okay, I think when we last left you, we were on Monday, the 24th of November 1986. You had described earlier your visit to the State Department to retrieve Mr. Hill's notes which you eventually did get that morning, I understand.

A That's my recollection.

Q Okay.

That morning, then, I believe your chronology shows that between the hours of 10:00 a.m. and 11:30 a.m., the Attorney General met with Mr. McFarlane, the Vice President, Donald Regan, John Poindexter and the President. Were you present for those meetings?

A No. On Monday, I was not. In fact, while he was meeting with McFarlane, I was at the State Department, meeting with Abe and--Abe Sofaer and Mr. Hill. I did not attend any of the other meetings that are referenced here with the President, Regan or with Poindexter and the Vice

President.

Q Is there any reason you're aware of that the Attorney General went alone to, I assume, ask these people about the diversion?

A No, there's no--I mean, I don't know of any conscious ~~conscience~~ reason. Certainly it's nothing we discussed. No.

Q Do you know whether or not the Attorney General took any notes of those meetings?

A I am not aware of any notes. I have not seen any notes.

Q After these meetings, did he tell you what had occurred?

A Yes, he did. Now, when you say ''after,'' I cannot identify with any specificity precisely when after, but yes, he did advise me and others on the information that he had obtained, not long thereafter, certainly.

Q Let's start with Mr. McFarlane. What did the Attorney General tell you Mr. McFarlane had told him?

A That McFarlane had, indeed, been acquainted with the contra element of this by North.

Q Did he say when he was informed of the diversion?

A Yes. McFarlane, it is my understanding, advised the Attorney General that he was informed when he came back into this project in May or April, or whenever it was, for the personal Tehran mission he performed.

Q Did Mr. McFarlane tell the Attorney General why he did not tell you that on Friday afternoon when you both interviewed him?

A I do not recall, no.

MR. LEON: Do you know if he asked why he didn't tell us? Do you know if the AG asked?

THE WITNESS: I don't know if he asked or not.

MR. LEON: He might not have?

THE WITNESS: He certainly might not have.

BY MS. NAUGHTON:

Q Did Mr. McFarlane tell the Attorney General, to your knowledge, that there was a possibility that Oliver North or others had destroyed documents at the NSC?

A Not to my understanding, no.

Q Now, as far as--one other question.

Regarding the November Hawk missile shipment, did McFarlane change his story on Monday, as far as you know?

A I don't know if that's a subject matter that they discussed during that meeting.

Q Now, as to Admiral Poindexter, what did the Attorney General tell you that Admiral Poindexter had told him regarding the diversion?

A That he, too, had been provided with information that led him to conclude that this was happening, this contra diversion element of it. He was cognizant of it, but as I understand it, Mr. Poindexter did not put it that he was advised of it or that he was consulted on it or anything like that, just more in the nature of it was an activity that he had reason to believe was occurring, but he just more or less didn't look into it.

I also recall him saying that--I also understand and recall that he said to the AG that he realized he would have to resign if this matter emerged.

Q Was there a question at that point as to whether it would emerge?

A Certainly not in my mind or anyone with whom I was dealing. It may have been in his, but I don't know the state of his mind.

Q Okay.

As to the Vice President, what did the Attorney General tell you he said regarding the diversion?

A Before I get to that, I should note further, before we switch subjects from Mr. Poindexter that Mr. Poindexter did make clear to the Attorney General that this is not something that he had ever advised the President of and that the memorandum which contained the reference to this activity that we had been--become aware of did not go to the President.

MR. LEON: Do you know if he presented you with the memo to look at?

THE WITNESS: I can't--I don't know the answer to that.

MR. LEON: You don't.

THE WITNESS: With respect to the Vice President, he just said he didn't know anything about it, the contra diversion, of course, and I don't think there was any more to it than that.

BY MS. NAUGHTON:

Q And what about Mr. Regan?

A He, too, reacted, apparently, with visible shock at the news, I am given to understand, and did not know anything about it.

Q And finally, the President, what did the Attorney General tell you about his conversation with the President that morning?

A That he had no knowledge of the contra diversion and it appears that uppermost in the mind of the President, as well as the Attorney General at that point, was developing an orderly responsible way of making this public, making this known.

Q Did they discuss the details of that, to your knowledge?

A Well, I don't know if they did discuss the details of it. It's my understanding that they recognized that they needed to--at a minimum, recognized they needed to discuss the details, but I don't think at that moment--I mean, the Attorney General's purpose was not to develop a plan for that, but rather, to gather additional information and make the important people aware of the information we now were confident of.

So I don't know if they discussed details, but I have to tell you I would doubt it and I certainly haven't been told they discussed the details.

Q Do you know whether or not the Attorney General spoke to anyone else at the White House, other than the people that we have mentioned?

A Well, it's my recollection--I cannot supplement my note with recollection to that effect, so I do not know of any others.

Q Do you know when it was decided that Oliver North would be reassigned and that John Poindexter would resign?

A I imagine it wasn't decided until the Commander in Chief decided it on Tuesday to the extent that--I assume he was the one who made the decision, or at least accepted the decision or the advice of others who thought that would be the appropriate thing to do.

Q So when the Attorney General--

DCMN STEVENS

A They both were re-assigned. Neither of them--I mean, they are both now still in the military, as I understand it.

Q What I am getting at, though, is when the Attorney General arrived back, let's say around lunch time on Monday, was it your understanding that this had already been decided that they would be re-assigned, or was it still--the decision still in the process of being made?

A I don't know that a whole lot of focus had been brought to bear on that question. My first recollection of conversations or discussion about what would happen comes to me as Tuesday morning. I can recall sitting with the AG and with John Richardson wherein we discussed how that element of it ought to be handled, and even discussed potential resignation language for Poindexter.

MR. LEON: On Monday.

THE WITNESS: No, this was Tuesday morning.

I don't recall--it is entirely possible some discussion was devoted to that element of all this on Monday, but I don't think so.

Actually, I was more or less taken--I won't say by surprise, but very early Tuesday morning, I was called at my home by the AG on his car phone. He was on his way into the office. They wanted me to be there at 7:45, or something like that, some early time.

And by that time the wheels were already set in motion for the events of Tuesday, and not until that time, at least to the best of my recollection, did I understand that the matter would proceed with so much expedition. I knew that we had to move very quickly, and that was certainly my pitch and my belief.

But I did not understand this would all happen on Tuesday, as it did. The momentum for this obviously picked up considerably when the appropriate people at the White House were made aware of these facts.

BY MS. NAUGHTON:

Q At approximately two o'clock on that day, Monday, November 24th, you and Mr. Reynolds met with Tom Green; is that correct?

A That is correct.

MS. NAUGHTON: If I could have these marked as CJC number 34.

[Exhibit number CJC 34 was marked for identification.]

BY MS. NAUGHTON:

Q Did you take notes of that meeting?

A I did, and it appears that number 34 is a--

MS. NAUGHTON: For the record, the notes start off saying ''Tom Green-11/24/86''. And this document's reference number is 3114 through 3116.

BY MS. NAUGHTON:

Q Were these notes taken contemporaneously, Mr. Cooper?

A They were.

Q And are they accurate as far as you can recall?

A Well, I haven't reviewed them, but I certainly don't know of any inaccuracies except for one, and this isn't an inaccuracy so much as it is--well, it suggests something that does not accord with my memory, and that is the first line on this says, ''Reps N and Secord,'' that is North and Secord, and what this statement therefore says is represents North and Secord.

DCMN DOMOCK

My recollection is that Tom Green, after he basically made a statement to this effect, or to the effect that he has represented North and Secord, he then was most purposeful about making clear that he was not here as a legal representative of any of these men.

In effect, towards the end of the conversation, I thought that to the extent he represented as a lawyer any of them, he probably represented Hakim, because Hakim, my impression by the end of the conversation, was apparently a client and it appeared to me a long-standing client of Mr. Green's.

So, this cryptic note really gives off an inaccurate signal regarding his status as we met with him.

Q What did he say that gave you the understanding towards the end that he represented Albert Hakim?

A Well, I can't really--he knew a lot about Hakim; he knew a lot about his background, he is a very successful businessman, he is an Iranian expatriate. He described these things to us.

And it was my impression that he had--that Hakim either was a long-standing acquaintance of his, without--well, actually I just perceived from all this general discussion that the man was a long-standing client of Green's. That may be entirely inaccurate, but that is the impression that I came away from them with.

Q Did you still have that impression after he said that it was Hakim's idea to divert money to the contras?

A That did not alter my impression, though, you know, I--the impression that I had--well, no, I guess it just didn't alter my impression that, to the extent he was representing anyone, though I can't tell you that I had the impression that he was there representing somebody in a legal capacity. That was not my understanding. He went out of his way to try to--

MR. LEON: Why was he there?

THE WITNESS: Because, as he put it, he was there to share with us information that had come to him that is very important, important to this Administration, important that we understand it correctly, rather than the way we were given to understand it by North.

BY MS. NAUGHTON:

Q Was it clear to you that he had spoken to Oliver North after North had been interviewed by yourself and the Attorney General?

A Yes, it was.

Q Was it your understanding--strike that. Did he mention to you that he had met with North on Friday, November 21st?

A I did not understand that, no.

Q Did he describe any meeting with Fawn Hall on that day, or any other day?

A No, he certainly didn't describe that.

Q Did he mention Fawn Hall in any way?

A The name Fawn Hall, I don't think I had ever heard that name until I read it in the newspapers, and that was considerably after this meeting with Mr. Green, so the answer to that is no, he did not mention her name.

Q Can you give us just a general sense of what his pitch was, what his point was in coming to speak with you and Mr. Reynolds?

A Well, yes, I will give you a general sense, and however preface it by saying as with the other interviews that I have participated in, my notes are generally the most complete and accurate statement that I can offer to you.

The general sense was that Secord--excuse me, that Mr. Green wanted to provide us with a different understanding of the contra element of all this than the one we received from North.

He prefaced it by saying North is the kind of fellow, you know, the diehard Marine, who wants to step forward and take all the spears in his own chest. And I think that was the allusion that he used.

And he seemed to me to have two purposes along in that vein. One was to provide a different set of facts that led to the contra diversion, one which involved Mr. Hakim as being the origin of the idea; and the other was to convince us that there was nothing illegal about it, that this was not money that belonged to the United States that was being sent to the contras, and that if this matter became public, that the consequences apparently would be extraordinary for certain individuals who would die.

I got the impression from him that there would be people in Iran particularly who were allied with the United States in this who were the moderates, and our contacts, who would die; also that some of the hostages would be at risk with their lives.

So, that is my best recollection for the essential points and the flavor of that meeting.

Q Did you have a response to his argument that this should not become public?

A No. Mr. Reynolds and I--I said very little. Mr. Reynolds also said very little. Mr. Green just kind of spun out this explanation and these points, and that was about it.

I do recall that there was some conversation between Green and Brad Reynolds towards the end to the effect that if this matter was to be made public, that Brad would do him the courtesy of giving him a head's-up. I don't remember the language that was used, but that was the general--my sense of the exchange.

And Brad--my recollection is that Brad said he was happy to do that. Brad and Mr. Green had litigated with each other in private practice, and they were on the most courteous professional, friendly terms.

So, that was about the end of it.

Q Well, did Mr. Green ask for immunity for anyone?

A No, he didn't.

Q Did Mr. Green discuss with you the advisability of asking for Independent Counsel; in other words, did he argue for or against it, or did the subject come up?

A Well, I certainly don't recall any such subject matter being discussed. And if there is no reference to it in my notes, I would conclude with confidence that it wasn't discussed.

Q On December 1st, 1986, Mr. Reynolds met again with Mr. Green and Mr. William Hendricks. Were you aware of that meeting?

A I am certainly aware of it now. Whether I was aware of it contemporaneously, I just don't recall. It is entirely possible that I was.

Q Is there any reason that you know of that you were not in attendance or invited to that meeting?

A No, none that I know of. It may well be that I had other things that I was attending to, and there was no necessity for me to be there, although actually it strikes me that by then--I don't recall when that meeting took place, but I--as you asked me about this, it--I am beginning to recall that it almost certainly took place after this matter had been transferred to the Criminal Division of the FBI for criminal investigation.

And so, I didn't participate--if that is true, then the answer with regard to why I wasn't there seems to me to be pretty obvious.

Q Given what you just said, then what was the reason for having Mr. Reynolds at the meeting on December 1st, 1986?

A Okay, well, if this meeting took place on--I guess it was because Green wanted to meet with Reynolds.

Q Were you--

A Reynolds was--Green knew Reynolds, had a previous relationship with Reynolds, and presented himself to us, or at least to Brad, and as I understand it from Brad, previously as somebody who was--would like to try to be useful and helpful to us in our effort here.

And it was on those terms and on that basis that the decision was made to hear him out. But I can't tell what the background was for the second meeting. If it was along the same lines, I guess it is just that he wanted to talk to Brad, but I don't know.

Q Are you aware of any discussion as to whether it was advisable or anyone had raised any questions about Mr. Reynolds meeting with Mr. Green at this time, on December 1st, 1986?

A No. I mean, it may have happened, but I don't recall having participated in any such discussion.

Q Now, as we discussed yesterday, Mr. McGinnis told you, and you testified he recalled on Monday, and you were willing to take his representation, that there had been a rumor at the CIA that he picked up on Monday morning, the 24th of November regarding the possibility that some of the money for the Iranian arms sale had been diverted to the contras.

Do you recall that?

A Um-hum.

Q All right. Do you know whether or not you passed this information on to the Attorney General?

A I can't specifically remember having done so, but I have no reason to think that I didn't.

Again, I don't have a specific recollection of having sat down and purposefully done this, but it is among the kind of things that would naturally have been introduced in our conversations.

Q Okay.

Now, later, at some point on the 24th of November, you received a call from Mr. Casey?

A I received the call, and my chronology places the best understanding and recollection that I/or/and John McGinnis have of going, that took place. It says the 24th--my chronology says that, to my best recollection.

Q There was some confusion on that.

A Yeah. Yes, I see it is in my Tuesday entry, and my note is--excuse me. At some point Tuesday evening, I think may have been Monday, Casey called me to ask if I have ever--excuse me, ''Lakeside Resources'' in our inquiry. I said I vaguely recalled some such reference.

Q Was Mr. McGinnis present?

A Yes. That is my recollection.

Q Anyone else in your office?

A I don't think so, although it is possible that there was, because I remember, I do remember putting the phone down and saying to whoever it was that was in the room, and that was at least John McGinnis, that I just had the oddest phone call from Casey or something to that effect.

And then I asked John if he can recall a Lakeside Resources. We know now that we are talking about Lake Resources, but my best recollection then and now is that he said Lakeside Resources.

Q How did he preface this inquiry; in other words, did he say he had learned of this name, or--

A He didn't preface it at all, and that is another thing that added to the oddity, I think, of the conversation. He just basically asked me, without preface, if in our research on all this, we had come across Lakeside Resources.

And it took me by surprise. I mean, the fact is, I could not specifically recall any such reference, but it seemed to me that that was vaguely familiar for some reason. And I can recall McGinnis what he remembered, if anything, about Lakeside Resources, and asking him to run a NEXIS check on Lakeside Resources.

That was about the same time that we either had or were in the process of running a NEXIS check on Secord, to find out something about him.

Q Do you recall, was this before or after you had spoken with Tom Green?

A I really can't place it any better by reference to the Tom Green meeting.

Q Let me ask you--

A I have it here, it was definitely in the evening, it was in the evening, so if my meeting with Brad and Green--what do I have there--

MR. LEON: 2:00, I believe, 2 to 3:45 on Monday.

THE WITNESS: Yes. In terms of when, I do not recall better than it was Tuesday or Monday. I still think it was probably Tuesday. The reference to Tom Green doesn't improve my memory on that, although I do know it was in the evening that I spoke to Casey, so whether it was on Monday or Tuesday, it was Monday or Tuesday evening.

BY MS. NAUGHTON:

Q Do you recall Mr. Green making any references to Lake Resources or Lakeside Resources?

A I don't. I don't.

MS. NAUGHTON: If I could have this marked, please, as CJC Number 35.

[Exhibit number CJC 35 was marked for identification.]

THE WITNESS: I recall, however, Green making reference to Hakim's financial network, but I don't recall him making--and of course, now I know that Lake Resources plugs into that somehow, I take it, but I do not recall him having mentioned Lake Resources or Lakeside Resources.

BY MS. NAUGHTON:

Q Showing you Exhibit Number 35, which is a one-page handwritten document numbered 3057, starting with AECA may be inapplicable. Are these your notes, Mr. Cooper?

A Yes, they are.

Q Do you recall when you wrote these notes?

A Not immediately. Let me read this note a little further, I may have a better answer for you.

MR. BOLTON: Are we finished with 34?

THE WITNESS: Yes.

I have read the note, and it really doesn't help me with any real specificity in terms of identifying when I wrote this note. The note deals with a legal issue that related to the pre-finding, September and November shipments, and it reflects, I think, a relatively advanced state of my thinking and John McGinnis' thinking on this.

So, simply by virtue of that fact, I would have to say that--well, it is really very hard for me to time this. I would suspect the timing of it was probably after the weekend investigation, but I can't say that with confidence.

BY MS. NAUGHTON:

Q Would it be before the Attorney General's press conference on the 25th?

A It seems to me doubtful, but it is certainly possible. You see, this does not deal with any of the legal issues that would arise by virtue of the contra diversion. And in fact, our legal analyses that you have been provided so far have dealt with pre-January legal issues, as does this one.

So, the element of the contra diversion doesn't really help to date this.

Q How about the underlined portion, in which you refer to an OLC memo regarding destabilization?

A Yeah, I don't know what that refers to, to tell you the truth.

MR. BOLTON: OLC before it began?

THE WITNESS: You can strike that if possible. This guy is my representative?

However, I can tell you what I suspect it is, and I will bet you that John McGinnis knows what it is.

MR. LEON: Is that your underscoring?

THE WITNESS: No, the memo read destabilization. Is that my underscoring? Probably, yeah. No, I think I am confident that it was mine.

There is a memo in the Office of Legal Counsel, authored by Griffin Bell, in which he acknowledges the legitimacy of the concept of an oral finding. He says that he thinks that there is nothing in the statute to insist on a written finding.

And I think in the lengthy analysis we did of this very question, we cite to that Griffin Bell conclusion. And that memo may well regard destabilization, whatever that is, but that is the best suspicion that I had at the moment.

BY MS. NAUGHTON:

Q If I can expound that on the first paragraph, which says that the Arms Export Control Act may be inapplicable to the September 1985 and October 1986 transfers from Israel to Iran, basically Israel is simply a conduit and the U.S.

sells to Iran.

A Exactly.

Q Would that take an express--I don't want to call it a finding, but an expressed assertion by the President that Iran was not a terrorist nation or provide some exemption from the Act?

A No--well, it would take a decision by somebody with authority to make it, and certainly that would include the President, but it might not be exclusively the President, but it would take a decision that under the authorities provided by the National Security Act, we would sell arms to Iran in connection with an intelligence activity.

So, the only thing--and the second paragraph, which is bracketed, deals with the second concern, if that is the case. If, indeed, that was the case, the second concern is, was the CIA involved in that operation? If it was, then Hughes-Ryan does require a finding.

But Hughes-Ryan, as I read and understand it, only requires a finding, a Presidential finding, oral or written, if the CIA is going to be involved in the operation; if it is going to be some other entity, a finding is not required.

So, that is the dual concern, if one collapses this transaction and understands it as one out of the United States into Iran, with Israel simply being the stake-holder, in essence.

Q Did your analysis include Executive Order 12333?

A We were certainly acquainted with it, yes, and aware of it.

Q If we can go off the record for a minute, please.

[Discussion off the record.]

MR. BOLTON: Why don't we go back off the record, if you could, and take a short break.

[Recess.]

MS. NAUGHTON: We are back on the record. Let the record reflect that Mr. Tom Boyd of the Department of Justice has joined us and substituted in as personal counsel for Mr Cooper in place of Mr. Bolton.

BY MS. NAUGHTON:

Q Now, you stated earlier that on November 25th, which is the Tuesday in 1986, that you helped to draft, I believe, the President's statement, which was to be made later that day regarding these issues; is that correct?

A I did do that. When did I make that--I have previously said that in that deposition.

Q Well, you mentioned that at 7:45 in the morning, you were called to the White House to help draft this statement.

A Well, that is accurate, whether I mentioned it or not.

MR. LEON: Well, I think he testified that the AG called him from his ~~conference~~ car phone to be in the office at 7:45.

THE WITNESS: Or something like that, he called me, he asked me to be there very quickly.

MS. NAUGHTON: I am just trying to skip ahead to the important points.

THE WITNESS: Right.

BY MS. NAUGHTON:

Q Did you take any notes of that particular session?

A No, not that I recall, although there was a document from which we were--actually, when I got there, Dennis Thomas and Peter Wallison had already worked up a draft from which they were working, and I introduced my own thoughts into that process as well, and we worked together for the next half-hour.

I am quite confident that didn't begin at 7:45; however, my notes reflect that it wasn't until about 8:15 that I actually met with Wallison and Thomas. The first thing that we did when we got--

MR. LEON: Who is Thomas, just for the record?

THE WITNESS: Dennis Thomas?

MR. LEON: Yes.

THE WITNESS: He was an aide and a close and high-level aide to Don Regan, or so that is my understanding.

But the first meeting, as I say, that took place when we got to the White House was a large one among several people in Don Regan's office. I know Peter Wallison and

Dennis Thomas were there, but so also were several people who I did not recognize and did not know. I think David Chew, however, was among them, now that I think about it.

And that is the point when Regan proposed the review board idea, which ultimately became the Tower board. And then I then branched off over to meet with Wallison and Thomas in Wallison's office, and we did work on a draft of the President's statement.

MS. NAUGHTON: I would like to have this marked CJC 36.

[Exhibit number CJC 36 was marked for identification.]

BY MS. NAUGHTON:

Q For the record, CJC 36 has no date. They appear to be your handwritten notes. Could I ask you, Mr. Cooper--

A They are?

Q Are these notes taken during that day, November 25th?

A On Tuesday, yes, they are, though not in--they were not taken in the context of my meeting with Wallison and Thompson to work on the President's statement.

Q Do you recall when they were taken?

A Yes, I think they were taken--or, actually they may well reflect several different notes taken at different times, and I would like to examine the document further to ascertain that, but this first one, which says, Poindexter--says ''Poin'', but Poindexter should say, ''--he has learned that some involved have provided money--had generated contras--doesn't know all the details, but in light of Congressional something--President needs fresh start, new policy team''--that essentially was some general ideas that we were discussing with the Attorney General, I think prior to the time we actually went to the White House, in discussing them in his office.

Q Would this have been very early in the morning?

A Oh, yeah, would have been--if my recollection is correct, it would have been quite early in the morning.

Q Could you explain what your notes mean about what Poindexter should say? I assume you are speaking about his resignation statement?

A Yes, I think that is my recollection as to what we were talking about here.

Q Okay. Could you then try to decipher your notes for us?

A I really--''He has learned that some were involved--some who were involved in this Iran business have provided money generated by the sales''--I would imagine that means to the contras. ''He doesn't know all the details, but in light of Congressional''--I should think--I really don't know what that means--''but in light of Congressional interest in this matter'' or something. I can't explain how that plugs into it, but the important point, I guess, was the next one, that ''the President needs a fresh start and a new policy team in the foreign policy area,'' and therefore Poindexter would resign.

The note then continues after some bracketed material, ''I would therefore like to be relieved of my assignment.'' So that was obviously Poindexter making public that point.

I don't really understand the remaining notes to pertain to that particular Poindexter resignation statement. P, I think P means President, because in the bracketed material, it says ''P briefed Congressional leaders first,'' and certainly that was our plan, and that is exactly what happened. And then I have just got an errant P on the page, and I don't know what it refers to.

Then the phrase, ''As public discussion proceeded.'' I don't know what that means. ''Inquiry continue. As soon as all facts known, will make disclosure to Congress and American public.'' I would imagine that is a reference to a point that needed to be made publicly, as well as to Congress, in connection with anything that--in connection with the facts that were about to be shared with them.

Then, finally on the page, uncovered information in course, in course of our weekend fact-finding, ''Some funds generated by these transactions were provided to the forces opposing the Sandinista regime in Nicaragua. Provide full info at earliest possible time.''

This was--I do recall that the phraseology, ''forces opposing the Sandinista regime in Nicaragua'' was a phraseology that I think originated with me, and this was in connection with an effort to formulate exactly how it would be expressed, I think, by the President, perhaps by the AG, but probably by the President. And I think that note was taken with the AG, not with anybody else. And I have no reason to think that these notes weren't all taken with the AG.

Q Now, at some point in time that day, did you talk to Secretary Armitage at the Department of Defense?

A I talked to Armitage, it may well have been--it probably was Tuesday, and it may have been Monday, but I suspect it was Tuesday. I called him up at somebody's suggestion. I had never talked to him before in my life, and I don't remember whose suggestion it was that I talked to him, but the purpose of my inquiry was to find out something about the mechanics of Economy Act transfers, as well as something on a very quick basis about the terms on which these particular arms were transferred on that Economy Act basis.

MR. LEON: Could the General Counsel at DOD?

THE WITNESS: It is entirely possible.

MR. LEON: Who was that at the time?

THE WITNESS: Larry Garrett, with whom I have a long-standing--

MR. LEON: He might have suggested it.

THE WITNESS: Yes, and if I had to guess, I would guess Larry Garrett. I talked with him and he told me to call Armitage, but it is a wild guess. I don't think I just called him because I thought, well Armitage knows about this stuff. I am sure that somebody suggested I call Armitage, although around that time I was talking to Susan Crawford as well, and I talked to her on the phone. I am fairly confident Monday night to discern information of this kind.

And this was all part of our effort to try to analyze and understand the terms on which the military equipment is sold under the Economy Act, and whether or not that represents fair market value or something beneath fair market value, as well as whether or not other questions, such as can somebody obtain TOWs from any source other than the United States through an FMS transaction or, you know, an Arms Export Control Act transaction?

These were all issues entirely foreign to me, in terms of what these background and the process under those statutes was.

BY MS. NAUGHTON:

Q The issue I want to focus in on, though, is a fairly narrow one, in terms of your conversation with Mr. Armitage, and that is the pre-finding shipments. Did you discuss with him, first of all, the TOW shipment in late August 1985? In other words, the question of whether or not those had been replenished, whether or not he had been asked to have them replenished and at what point he was asked to have them replenished?

A I don't think I took that up with Armitage.

Q What about the 1985 Hawk shipment; did you discuss that with Armitage?

A I don't think so. I think the primary focus of those discussions, as I say, was just to understand the process, but it also was for specific factual information. It may well be that it was he that referred me to Crawford actually, but I do not recall having focused with him on the question of replenishing the TOWs.

Q Did you discuss with him the Hawk shipment; in other words, did he tell you that they had received a request for more Hawks in the fall of 1985, or anything concerning the pre-finding activities?

A I don't think so. I certainly don't think he told me they had received a request for more Hawks from the CIA. I assume you mean the CIA, but I don't think--I do not recall that having been a part of our conversation, and I have to tell you that I have only the vaguest general recollection of the conversation.

Q Did Secretary Armitage tell you anything about any legal issues that may have cropped up at the Department of Defense contemporaneously with these activities? In other words, did he say he consulted anyone for legal opinions at the time?

A At the time of our discussion?

Q No, no, at the time of the transactions, back in 1985 and 1986.

A I don't think so, although I do remember having--it is my general recollection, I had conversations with Susan Crawford along those lines, but I don't think there were any transactions out of DOD, that involved DOD prior to the finding. I mean, it would be news to me now if there were arms transfers out of DOD prior to the finding. I think that would be news to me now.

The replenishment, it has always been my understanding, did not take place until after the finding, and considerably after it. For example, the 508 TOW replenishment, my understanding is took place several months into 1986, and I don't understand that they ever replenished the 18 Hawks. Maybe they did.

Q Did Mr. Armitage ever tell you how the replenishment for the TOWs came about; did you discuss that with him?

A I don't think so, though I had a lot of discussions with Susan Crawford and her people about that, a lot of frustrating discussions, but I don't think I had that with Armitage. I have to tell you it is entirely possible that I did, but I don't--by my conversation with Armitage really just wasn't a very lengthy one, as I recall.

Q We are still on the date of November 25th. Did the name Tiny Rowlands come up at any time during this period?

A Yes, it did.

Q Can you tell me how that came up?

A Yes, it came up in our interview, mine and the Attorney General's interview with Charles Shultz and Charles Hill--I mean George Shultz and Charles Hill--

MR. LEON: On Saturday morning.

THE WITNESS: On Saturday morning. Some reference was made during that interview, and I have a note reflecting it to the effect that a fellow named Tiny Rowlands, and that name didn't mean anything to me at the time, had walked into the U.S. Embassy in London and had asked our Ambassador or some official in that Embassy about, evidently about the bona fides of some people who would come to him suggesting that they were involved in an arms transaction that had the backing and support of the United States Government.

I remember the name Charles Price. Was Mr. Price the Ambassador at the time? Okay. Price then advised somebody at State, and it may well have been even George Shultz himself, but I think George Shultz was out of town at the time and was advised while he was out of town--I may actually be recalling my notes more than I am recalling the conversation.

But as I recall it, Shultz once again became very agitated that it appeared that this arms activity was continuing notwithstanding the fact that he felt like he had been led to believe that it was at an end.

And also, it is my understanding they got back word to Tiny Rowlands that he should stay away from this?

BY MS. NAUGHTON:

Q Was there any mention of Mr. Rowlands and his possible involvement in [redacted]

A I certainly don't recall any reference at all to [redacted]

Q Now, later--one more question on that. Was there any indication that Mr. Rowlands was at all affiliated or had any contact with Adnan Khashoggi?

A Yes. Khashoggi was associated with Rowlands in all this, and I think it was my understanding that Rowlands was checking on Khashoggi, the veracity of Khashoggi's story, but--well, that was my impression, I understand.

Q Now, later on the afternoon of November 25th, did you meet with any representatives of the Criminal Division at the Department of Justice?

A On the 25th?

Q Yes.

A Yes.

Q Okay. Who did you meet with?

A Mark Richards and Bill Weld.

Q Did you brief them on what had transpired?

A I briefed them on what we knew, yes.

Q Is that, to your knowledge, the first conversation you had with either Mr. Richards or Mr. Weld regarding the Iran arms transactions?

A It is certainly the first one I can recall. It is undoubtedly the first one I had with Mark Richards, because--

MR. LEON: For the record, because I have heard his name said both way, is it Richards with an ''s'' or Richard?

MR. BOYD: Richards with an ''s''.

THE WITNESS: That has always been what I have called him.

MR. LEON: And what is his title?

THE WITNESS: Deputy Assistant of the Criminal Division.

MR. LEON: Just for the record.

THE WITNESS: And you know, he has authority in this international area, so he is definitely an expert, but I had had--you know, I don't have much contact with Mark, and I had only I think social gatherings within the Department kind of contact with Mark prior to this meeting.

I can't remember a professional contact prior to it, it was possible. But what I am saying is I know I have never discussed anything that had anything to do with Iran with Mark Richards before that, and I do not recall having discussed anything with Bill, either, on this subject matter prior to that time.

BY MS. NAUGHTON:

Q Did you have any involvement in the Evans case, the sting case out of New York involving Iranian arms sales?

A I did after all of this, not before Tuesday, but after Tuesday, Bill Weld or one of Bill's deputies made me aware of some information that was being shared with them by an attorney for one of these characters, which sounded very familiar in terms of the fact that he was claiming that he was a part of a U.S. Government-sponsored arms sale activity to Iran, and he was using names that in the course of our fact-finding on this had come to us.

And I can't tell you what those names were, but I do remember having conferences with Weld and his team of lawyers, Jack Keeney specifically, as well, dealing with what--how we were going to respond to this, whether or not this was legit, and what have you.

Q To your knowledge, was there a request by Mr. Giuliani's office to have the Department certify that no one in the U.S. Government was involved in that particular arms sale in the Evans case?

A Well, I think the Assistant U.S. Attorney on that case, and I may well have had a fleeting conversation with that person, and I think that person was a woman, was obviously eager to know if there was truth to these claims that were being made. Apparently, she--I don't know why she attached enough credibility to it to call, but I imagine it was because of the story in the paper that was mentioning Weld with the story that this guy had given her long before the papers started outlining events that were quite familiar.

And it may well be that they were asking for a certification. I don't know what it was, but it is certainly true they were trying to check the accuracy of the matter. I think they realized, and certainly it was my view that we shouldn't be up there prosecuting somebody if indeed he was brought into an arms transfer scheme that was run and operated by the United States Government.

Q To your knowledge, though, did the Attorney General ever consult with John Poindexter or anyone at the White House regarding the Evans case?

A I understand that he did prior to my introduction into the whole matter, but never--he didn't consult with him, to my knowledge, on the subject matter relating to Evans that I had involvement in, after Tuesday.

Q When the Attorney General did consult with Mr. Poindexter, were you aware of it at the time?

A No, absolutely not.

Q So you only knew of the Evans case and the problems that arose with it after November 25th?

A Yes, after that.

Q On the next day, November 26th, do you recall if you attended the staff meeting that day?

A On the 26th?

Q Yes.

A If we had one, I probably attended it, but it certainly didn't rate an entry on my chronology, so I don't know.

Q At some point with senior staff, did you discuss the Iranian arms sale and what was going to happen from then on, as far as the Department of Justice's involvement?

A On Wednesday?

Q Yes, the 26th.

A Oh, yes, I am certain we did.

Q Okay. During the course of these meetings, did anyone, including yourself, express the sentiment that perhaps it should be handled as a civil matter rather than a criminal matter?

A No. Emphatically including myself, although the civil matters that remained to be resolved were very important and they pertained directly to what I viewed as my task that remained in this matter, which was to examine civil legal issues that would arise, which seemed to me--and I still think are the dominant legal issues in this thing.

Q Okay. Aside from the merits of the issues, which I don't want to get into.

A Yes, I understand.

Q Did anyone express the sentiment then that it should not also be handled criminally; in other words, did anyone advocate going on the civil track rather than in a criminal investigation?

A I don't recall anyone advocating that. The only question that I can recall having been debated, and I don't recall there having been any real debate about it, was whether or not the criminal--whether or not the investigation that was going to then be advanced on a criminal track by the criminal professional investigators would feed into the civil side of this, the civil legal analysis that I was involved in.

And it seemed to me that--and I don't recall there having been any dissent about this, that the information that was--any new information that was derived that had civil legal implications should be provided to the civil legal thinkers, me and my office, at such time as it was confidently determined that we had some information that had those implications.

And the Attorney General, in fact, did not want the civil legal side of this to be ignored as the criminal thing picked up, but there was no discussion that it should be just civil. But the criminal people were in there, it was going to be their investigation, and you know, there was no dissent from the view that that was obviously the appropriate course of conduct at that point.

And I think I was among those, I am certain I was among those who found, as a result of my own research and analysis, credibility to the proposition that it is entirely possible that some of this was U.S. money, and that therefore it was entirely possible that there was some potential criminal implications. So, you know, at no point did I argue against proceeding on that track. I fully endorsed it.

Now, I have to also tell you, to give you some flavor for this, because it is troubling for me, that the meeting wherein this matter, this 3:30 to 5:30 meeting that is reflected on my chronology for Wednesday, for my first entry on Wednesday, November 26th, the AG outlined how we would proceed, this was a meeting of a criminal investigative team, the best people that the Justice Department has.

And the AG--it was a time for me to meet and Brad to meet, and for us to share whatever it was we had and otherwise to just gather for the hand-off, so to speak, to the professional criminal investigators and lawyers. And the AG outlined an approach along the lines that I have just outlined to you, and he suggested that Bill Weld and I would be more or less the senior Justice Department officials on this matter.

And I can't cite to you a specific comment or piece of body language that I perceived, but I perceived some reservations about my being involved, or about there being an equally important civil element to this matter.

MR. LEON: From whom?

THE WITNESS: Well, not from Bill Weld, who seemed to--who I didn't detect any questioning at all of this. But I guess, more than anybody, Floyd Clark sticks out in my mind--

MS. NAUGHTON: From the FBI?

THE WITNESS: From the FBI. And Floyd, since that--I think that was the first time I had ever met Floyd Clark--

MR. LEON: The Tuesday meeting.

THE WITNESS: --in a professional context. I had seen him before.

Since that time, I have worked on a professional basis on other matters equally difficult, sensitive matters with Floyd Clark, and I just think I have nothing but the highest admiration and respect for him.

But I have to confess that I did sense some reservations about the process that the AG outlined, and the further fact of it is I did not have, that I can recall, another meeting with any of this team. I didn't press the matter with them, I simply receded from the whole thing.

BY MS. NAUGHTON:

Q In fact, the FBI never briefed you on what they were doing, or what interviews they had conducted?

A No, or on the information, whatever it might have been, that they were developing. Now, not long after that, of course, the curtain fell that represented the IC request, and so the whole Department was iced, but I receded from the matter, I had a couple of interviews with FBI agents, I had one further meeting with Bill and Arnie Burns and two or three of the senior investigators in which, quite--and this was a couple or three days later--in which they were discussing some of the things that they were doing, and I, more than anything else, was making suggestions for other angles they could pursue, based upon my own knowledge.

But I guess what I am trying to provide you a flavor of is the reason that I did not press my own participation in this, even though the Attorney General had outlined that I would be a co-leader, so to speak, of the matter, and you know, that was it for me.

Q Did the Attorney General ever ask you to brief him then on what was going on?

A No.

Q Do you know who made the arrangements to secure the White House documents, and when that was made?

A Arnold Burns was tasked with the mission of securing the NSC documents. That was the first tasking that I can recall Meese having made, and in fact, I guess it was Tuesday--

MR. LEON: 2:30.

THE WITNESS: 2:30? Okay. Yes, okay. 2:30, in connection with this meeting, where the decision, I guess, was made to turn this over, or at least the instructions were given that the matter was being turned over to the Criminal Division for taking it forward.

He directed Arnie to call Wallison and have the place sealed off. Now, I do recall the subsequent meeting, as well. I can tell you the truth, though I can't remember when it was, but it seems to me it was later that evening. But, the AG asked Arnie if he had done that, and he hadn't done it yet, and the AG was most agitated.

MR. LEON: Evening of the 25th?

THE WITNESS: I can't tell you for sure.

MS. NAUGHTON: We are on the 26th. So, Burns was told at 2:30 on the 25th to make the call to the White House.

THE WITNESS: That is my best recollection as substantiated by my chronology.

MR. LEON: But it seems to you it was some point after that?

THE WITNESS: It would have to be after that. Now, if I am wrong that--it was definitely after that that Burns reported that he ~~didn't~~ hadn't done it yet, but he had misunderstood the direction, he said, but it certainly wasn't unclear to me that the AG was most agitated. He rarely is visibly agitated.

And Burns, I think excused himself immediately to do that, whatever it was that the AG found out hadn't been done.

BY MS. NAUGHTON:

Q Do you recall, was this a large meeting or was this just yourself and Mr. Burns and the Attorney General?

A Where Arnie suggested that he hadn't--

Q Yes.

A --understood correctly the nature of the direction? It was more than me and the AG and Burns. There were more people in there than that. I can't identify for you who they were.

Q Do you know when the FBI actually went to search the White House for documents?

A It strikes me that it probably wasn't until Wednesday.

Q Do you know for sure?

A That is my recollection, but I don't know for sure, but I am sure they could tell you.

Q They say Friday.

A They say Friday?

Q Thursday is Thanksgiving.

A Well, yes, Thursday is Thanksgiving, but I had two FBI Agents in my office till Wednesday night, quite late in the evening.

Q Did they tell you that FBI Agents had gone to the White House to search documents?

A No, no, I just think I perceived this as a general understanding that I developed on this Wednesday meeting where we all got together with them, and I thought this was a topic of discussion and agreement that it should be done forthwith.

Q Did you give anybody from the Criminal Division your notes?

A Yes--oh, the Criminal Division? I don't believe so. I mean, I think the only people I gave my notes to are the only people who asked for them, the FBI, but obviously it was for, I take it, the Criminal Division and anybody else who wanted those was free to have them, but no, I don't think I--I cannot recall anyone from the Criminal Division collecting my notes from me, but the FBI did collect my notes from me.

Q Now, moving on, believe it or not.

After the Hasenfus crash in early October of 1986, there was a request from the House of Representatives for an Independent Counsel to look into allegations that Administration officials were involved in the Hasenfus expedition in suppling the contras.

Did you produce any documents or other material for the people in the Criminal Division investigating this allegation?

A Regarding Hasenfus?

Q Well, there was a general call for an Independent Counsel regarding any cases involving the contras' resupply operation and Administration officials.

A You mean our request for an Independent Counsel?

Q No. There is a request ~~from the~~ for an Independent Counsel by the House of Representatives from the second week of October requesting an Independent Counsel be established to investigate the Hasenfus crash--

A Okay. I am with you now.

Q --Southern Air Transport, and any connections they may have had to Admiral Poindexter, Oliver North, Vice President Bush--

A Oh, yes, this is the Kerry thing?

Q No, it is not the Senator Kerry thing. The request was made by the majority members of the House Judiciary Committee.

A Oh, okay. Yes, that is vaguely familiar.

. Q Okay. The people in the Criminal Division tasked with looking into this sent out a query to all components of the Department of Justice to see if they had any active cases or any materials relating to that subject, and the question to you is, to your knowledge, did your office, Office of Legal Counsel, provide any materials to them for that inquiry?

. A Well, my answer is I don't know, though I seriously doubt it. I would imagine when I got that, I sent it to my so-called Iran team, the people who have been bird-dogging all of this document production from day one, poor guys.

. And if we had anything that was responsive, I am sure in the normal course it was provided, but I cannot imagine we would have anything to do with Hasenfus.

. Q I want to get it clear, this is a separate call for Independent Counsel, took place long before the Iran arms transactions were even discovered.

. A Okay, yes. But I don't, certainly not since I have been in the Office of Legal Counsel, have materials that seem to me to be responsive to what you just described and generated.

. Q Okay. Did you participate in either staff meetings or other meetings with Department of Justice officials regarding the active cases concerning the contra opposition in Nicaragua? Is that a no for it?

A That is a no, I do not recall having participated in any such discussions. Now, it is certainly possible that at the morning staff meeting, such discussions were brought to the table. I don't recall as having been true, but any manner of subject matters can be brought and discussed at that table, but that is not one that I would have participated in.

It is not at all often that OLC participates in an operational way in these cases. We just grind out opinions, and provide occasional litigation, consultation and advice on legal issues. We don't have any litigation role at all.

MS. NAUGHTON: That concludes my questions, and I thank you for your patience. Dick, do you want to go ahead.

THE WITNESS: Dick, before you do, can I excuse myself for just a moment? I will be right back. Good stopping point.

[Recess.]

MR. LEON: Shall we go on the record?

BY MR. LEON:

Q Mr. Cooper, I want to go back over a few things in your testimony today, and I will try to do it chronologically, based on using the format in the chronology that Ms. Naughton has used, I think that would probably be the easiest.

A Very well.

Q In your own chronology, at least. With regard to the November 7th through 12th period, when you first were being brought into the loop, so to speak, talking to the Attorney General--what I would like to try to get a feel for is, what was your sense of why it was that the Department of Justice was being brought in at this point to a White House-NSC matter?

I don't think I have a clear sense of that. Maybe you could help us on that.

A Well, between--actually nothing of any significance happened between November 7th and November 12th--

Q Okay.

A --that occurs to me now and that occurred to me at the time I put this chronology together.

Q The AG had given you a heads-up, so to speak, on the 7th.

A That is right.

Q And told you that there was going to be some legal issues coming down the pike?

A Well, there were already, as I recall, public media discussion with legal issues that surround this thing, although if they didn't already appear by November 7th, they weren't long in being discussed publicly, and--

Q Well, let me stop you there and focus on that a second. I believe it was November 5th or right around then, just around the time of the 7th, that the reports were coming out in the newspapers of McFarlane having made a trip, and it had been leaked to an Iranian newspaper and then, in turn, it had arrived in the American press; that refreshed your recollection a little bit as to the press accounts, doesn't it?

. A Well, actually, that is not inconsistent with my recollection, but I only have the vaguest general recollection that the press accounts were beginning to appear, and I think it was starting to make the television news as well, but my recollection also of my meeting with the Attorney General was that he referred to press discussion of this Iran arms matter, and suggested that in all likelihood, it would generate some DOJ legal work which would involve me, and that I should just simply be aware of that fact, and that I think he made reference to Paul Thompson, though he may not have, but in due time, I would be meeting with Paul Thompson and try to find out more about it.

. Q As you look back on it now, thinking back to what you were thinking of when you went over to the White House on the 12th, which was your first meeting, wasn't it, with Poindexter and Thompson?

. A Yes, it was.

. Q Okay. As you were heading over there that day in anticipation of those meetings, did you have any sense of what types of issues might be about to pop up in front of you, in terms of legal issues, or had you gotten to the point where you were thinking about that?

A No, we were thinking about it. I don't believe we had any refined state of thinking at that time. The truth of the matter is I and my assistant were kind of groping around the U.S. Code for statutes that seemed relevant to the question of arms transfers and f reign policy generally, using our only factual reference at that point, was whatever was discussed in the papers, and I just have no recollection what was in the papers at the time, so we were trying to follow it.

Q Do you think, looking back on it now--you don't obviously have the press accounts in front of you--do you think what was back in the papers at that time was the fact that there had been arms shipments between the U.S. and Iran? Had that come up at that point?

A I think so. I would be surprised to find out that it hadn't, but that is my recollection of it.

Q Okay. And of course, the President was going to be giving a speech on the 13th--

A Right.

Q --major address to the country.

A Yes, although I am not sure when I knew that.

Q Well, it would probably have been announced at least by the 12th when you went to meet with Poindexter and Thompson.

A Perhaps so, perhaps so, I just don't recall when I knew he was going to do that.

Q So, at least as I understand what you are saying, what you were doing or about to do, in terms of looking into legal questions, had nothing to do with the President's upcoming speech on the 13th, at least as you saw it?

A Oh, right.

Q Had nothing to do with straightening out any legal issues before the President addressed the Nation in regard to Iran, or whatever?

A No, that was not--there was no specific reference in my task, and at that point, it was still an unformed notion that legal issues are raised by this, and we need to examine them, but no, it had no reference to the President's speech, no particular reference to that.

Q All right, now when you get over there on the 12th to meet with Poindexter, I believe your testimony was that your meeting with him was rather brief--

A Yes.

Q --and he didn't go into great detail about what your mission was; is that about it?

A That is correct, yes.

Q He was leaving it to Thompson, in essence, to sit down and discuss with you the potential legal questions that you might be looking into.

A My purpose wasn't so much to discuss potential legal questions as it was to gather from the NSC, Paul Thompson in particular, some information about the truth of the Iranian initiative.

I had been in touch with Paul prior to that time, I am confident, and had been kind of nagging, really, Paul to provide me with some information. He had made reference, I think prior to that, but certainly on the 12th, that a chronology was being put together, and that it would be shared with me as soon as they had some confidence--

Q I believe that Mr. McFarlane testified that they had been working on the chronology since the week before that.

A That is entirely possible. That is entirely possible, and it was my understanding that this chronology had been under construction for some significant period of time.

Q Okay.

Now, was this the first time that you and your office had been involved in a--let's say, a legal review or evaluation of issues bearing on the NSC?

A I am sure it is not the first time my office had--

Q I mean when I say your office, I mean since you have been heading up your office.

A I cannot confidently say yes to that, but that is--if forced to give a yes or no answer, that is the one I would give. We have the variety of issues that come into the office, is extraordinary, and we have got a lot of issues that are in the national security area, though I cannot specifically remember an issue that involved the conduct of the National Security Council or its staff.

We have War Powers Resolutions which come infrequently, and they always involve the national security apparatus, including the National Security Council.

Q Okay. Had you, prior to that time worked together with Thompson with regard to legal issues and legal questions bearing on the NSC?

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A Yes, but I can say with some confidence that those previous occasions were confirmed War Powers Resolution issues.

Q And did you--is it fair to say that you viewed his role, Thompson's role, at this point to be more a provider to you of information rather than a colleague who would be joining in the legal analysis with you of the issues?

A Yes. I did not--it was not on any understanding along the lines that you just described that I visited him at the NSC, but rather, as the point of contact wherein my office would be provided whatever factual information the NSC developed dealing with this matter.

Q Now, of course you knew Peter Wallison, White House Counsel at that time.

A Yes, sir.

Q And he wasn't present the day of the 12th, when you met with Thompson and Poindexter, right?

A No, he was not.

Q Nor was there anyone from his office represented?

A That is true.

Q Did it strike you as odd that the White House Counsel's Office at that point hadn't been involved in the kind of legal analysis that you were about to engage in, or was not involved in it at that point, together with you if only from a monitoring standpoint if nothing else?

A I don't think I took particular notice of that at that time. I did take notice of the absence of the White House Counsel not long thereafter, but I don't recall having taken notice of that.

In fact, I would not have expected my meeting with Paul Thompson to have been something that anyone other than he and I attended in that particular context.

Q Did you have sense that the White House Counsel was being kept out of this?

A I don't think that I developed any sense of that by that point.

Q Now you did testify, on the 20th, you did testify with regard to events on the 20th that after your meeting that afternoon with the Attorney General and Poindexter, and I believe Thompson was there, to review the testimony of Casey and Poindexter the next day--

A The afternoon of the 20th.

Q The afternoon of the 20th.

A Right.

Q That after that meeting, that Mr. Wallison had expressed that he was upset that he was not present at that meeting. Do you recall that?

A Yes, I do.

Q Okay.

And did he also express any concern at that point or prior to that about not being involved in this review that you were engaged in?

A I don't recall him having expressed concern vis-a-vis me and my office's work.

Q He was aware you were doing it, wasn't he?

A On the 20th?

Q Yes.

A I should think he probably was. In fact, by the refreshment of my recollection that I received yesterday from Ms. Haughton regarding the meeting that was held in Peter Wallison's office, it appears that that meeting took place on the 18th, and I do recall, as I mentioned yesterday, some criticism and dissatisfaction having been registered by some of the attendees at that meeting.

But my recollection is that it was focused on the NSC, not on me and any legal work that I was doing. In fact, throughout this matter from day one, I have not sensed anything other than perfect cooperation and useful consultation from the other individuals who were at that meeting on the 18th, as well as in terms of the work that I was doing.

They have conceded and recognized that the legal judgments of the Administration on all matters that have preceded in connection with Iran initiative had to be uniform, and obviously the Attorney General is the final word on such issues, and there has been no argument about that.

Q Okay.

On the occasion of your meeting with Thompson, the 12th, he showed you a finding, and I believe your testimony was that that was the first time--I believe your testimony was that that was the first time you had ever seen a finding; is that right?

A Yes, that is correct. I certainly don't recall ever having seen a finding or a document of that appearance before.

Q And I believe you testified also that he informed you on that occasion that the Attorney General himself had reviewed the finding that you received, and--

A That Paul had told me about?

Q Yeah.

A Yes, I certainly think that was correct.

Q Did he mention to you on that occasion that Deputy Attorney General Jensen had been involved at all in the discussions or consultations with regard to the preparation of that finding, or any other findings prior to that?

A No.

Q Do you have any knowledge with regard to the former Deputy Attorney General Lowell Jensen's involvement--assisting Attorney General Meese in any findings at any time?

A No, although I think I can say that it has not been until within the last week that I have been given to understand that, indeed, Jensen may have had some kind of a role, that the context or the content of which I was completely unaware--

Q There is a notation in Oliver North's calendar, for example, which I don't have in front of me, but I think I recall well enough to state that on January 6th, 1986, North meeting with Jensen and Meese.

Were you aware that that meeting took place?

A No, I was not.

Q And that was around the time of these findings at various stages were being worked on, and hence, one of the reasons why I raised that question for you, as to whether you were aware of that?

A No, I was not aware of it. As I say, within the last week or so, I became aware of something along the lines that you have just described, but not until within the last week have I heard Jensen's name mentioned in connection with the Iran initiative, that I can recall.

Q On the 13th, the President gave his address to the Nation, and you have testified that you heard that, and during the course of it, you heard him make reference erroneously to no involvement by other countries, and of course, you were aware of the Israeli involvement; is that right?

A That is correct.

Q Okay. And you brought that to Thompson's attention by phone call after the address.

A Yes, I did.

Q Now, at that point, did you have any chronologies, had you been given any chronologies by Thompson and his people?

A No, I state confidently that I had not by then, because the only thing that I can recall that was tangible, that was a document that had been shared with me was the finding and the memorandum that covered the finding. That was shared with me, to the best of my recollection, November 12th.

I was frustrated that nothing more useful and informative than those documents were then available, or so I understood. The President's speech, in fact, was, by that time, as useful a source of information as we at that point had regarding the outline of the initiative, the factual outline and implementation of the initiative.

Q And it was that day that you prepared the memorandum, Exhibit 2, that was provided to the Attorney General pursuant to his request; isn't that right?

A That is correct.

Q And with regard to the preparation of that memorandum, had--this memorandum obviously reflected your own opinion and the opinion of your office, did it not?

A Yes.

Q And you hadn't had--nobody had suggested to you, had they, either at the NSC, from the NSC staff, or the Attorney General himself, that you come up with a certain conclusion with regard to this memorandum?

A No.

Q This was an independent evaluation by yourself and your staff.

A Absolutely. In fact, the contours of it were not even discussed outside of myself and my one staff member.

Q Do you know if a copy of this memorandum was provided to Paul Thompson or the NSC?

A It was certainly not provided by me to Paul Thompson, and I do not know or have information to the effect that it was provided by anyone else.

Q How about--

A For example, the Attorney General, who was, of course, the addressee of the memorandum.

Q And you have no knowledge that it was provided to the White House Counsel's Office, do you?

A Well, ultimately, I think all of these opinions have been provided to everybody, but I understood your question to relate to--

Q At that time.

A --some time frame reasonably contemporaneous--

Q Absolutely.

A --with the production of the document, and the answer to that is no.

Q For example, let's say this, on your November 18th meeting that you had with Mr. Wallison, okay, that you have testified to in the last day or so.

A Yes.

Q Do you have any reason to think that on the day of that meeting that Mr. Wallison had a copy of this memorandum or had read it?

A I don't think so. I mean that does not--that would strike me as incorrect to say that.

Q And had you considered the possibility of asking the Attorney General whether or not to give Paul Thompson this?

A I don't remember us having conversations along that line.

Q That would have been unusual to do that, wouldn't it?

A Well, not necessarily, no, it wouldn't, but I don't remember it having been a decision to do that. I don't remember the subject having been discussed.

Q Okay.

Now, when you had your meeting on the 18th with Wallison and that group, I believe you testified there was a group of people who normally are part of the War Powers group that you described before, various counsel from various agencies, Departments of the government.

During the course of that meeting, what was your primary focus, as you recall it, as to the legal issues that were concerning you at that point?

A I would imagine it was Arms Export Control Act, yes.

Q In order to evaluate those issues, did you think at that point you would need to get information from the Department of Defense regarding pricing and the way certain transactions were handled financially?

A No, I don't think that became important until later than that. At that point, the September shipment was, in my mind, the most troublesome, and that is not the term I would prefer to use, but it was the event that raised the most legal questions.

The November shipment would have raised the same legal questions, except at that point, I was under the understanding that Hawk missiles had been returned, and to the extent there was any legal problem, it was quite technical, and I didn't perceive that that would be the subject of a lot of high-pitched criticism, as long as the arms had indeed been returned.

But the 508 TOWs allegedly transferred in September, or August, whatever it was, was news to me, and raised--and it was pre-finding--it raised questions about notification of the Congress and questions of Presidential consent to the transfer. It must be secured by the foreign country under the Arms Export Control Act.

So, I think arms export control is our principal concern, and a concern related to the September TOW shipment.

Q Now, it was the day before that, the 17th, that you got your first chronology, wasn't it?

A That is our best memory of it.

Q And that was the day that you, for the first time, realized that there have been pre-January activities, and in particular the TOWs and the Hawks shipments?

A That also is correct.

Q And I believe you have also testified that upon learning that, you brought that to the Attorney General's attention, about these pre-January events?

A I am sure that I did straight away; how immediate we had a chance to discuss it, I don't know, but yes, we did discuss it.

Q Do you think it was probably prior to your meeting on the 18th with the Wallison group?

A Entirely possible.

Q And I believe you testified--I don't want to say that. Is it your testimony that the Attorney General was surprised to learn that there had been pre-January activities?

A Yes, it was clear to me that he did not have an inkling that that was the case.

Q And, of course, you both appreciated, didn't you, that because of those pre-January events, that there were new legal issues, potentially, that were now on the horizon that you had to be concerned about?

A Well, certainly by that time I appreciated it fully, and I am sure that I tried to share my appreciation of that fact with the Attorney General.

Q Here is a question I got for you: In light of this revelation on the 17th, and the Attorney General's surprise with regard to it, did the Attorney General, to your knowledge, in response to learning this, make any phone calls, make any inquiries at the White House as to those events personally?

A I do not know whether he did or didn't; I just don't have any personal knowledge at all about that.

Q If he did, he certainly didn't report it to you?

A Not that I recall.

Q You have no knowledge of him contacting, for example, John Poindexter, inquiring into, you know, what are these events about?

A I don't recall him having told me that he had done it, and I don't recall having learned that from any other source. I am not trying to say that--I mean, it is entirely possible that he did do that.

Q Did you, upon learning it, contact Thompson or anyone over there, and express your surprise and concern upon learning these things?

A That is entirely possible. I don't have a recollection to the effect that I did do that, however.

Q Did you talk to Wallison about that on the 18th, about your being surprised to learn about this?

A I don't remember having expressed myself along those lines in that way. It is possible that I did. My recollection, and if I had the note in front of me, it might inspire my recollection, but it is that the September shipment was a subject matter that was discussed at that November 18th meeting.

Q Did Wallison have a copy of the chronology?

A That I don't know. I just do not recall.

Q Do you recall him expressing any surprise also about learning about these pre-January events on the chronology?

A Peter Wallison?

Q Yeah.

A I just don't have a recollection for that kind of reaction, one way or another, in Peter or really in the other participants in that meeting.

Q I guess what I am getting at, in part here, Mr. Cooper, is that, of course as you know, the President was giving a press conference the following day, the 19th, and you have testified that the Attorney General was upset, I believe, about the manner of preparation that the President had had prior to that press conference, because his performance, as you testified, wasn't as good as you and the Attorney General had hoped it would be.

And what I am trying to get at here is whether or not you had any sense that Mr. Wallison was concerned about these pre-January events to the point where it had been brought to the attention of Donald Regan?

Do you have any knowledge of whether or not those were brought to the attention of Mr. Regan?

A I have no knowledge of that.

Q Do you know who prepared President Reagan for his 19th press conference at the White House?

A I guess I should go back and say I have no recollection of that.

Q Are you aware that John Poindexter and--

A I am sorry. What was the intervening question again?

. Q Do you have any knowledge whether or not Donald Regan was informed by Peter Wallison of these pre-January events?

. A Oh, of that, I just don't have any recollection of having learned information on that question.

. Q Do you know if the President in his preparation for the January 19th press conference had been, you know, had been prepared as to the information on the chronology, pre-January 1986?

. A You are talking about the pre-January information? No, I don't. I don't know what went into the preparation of the President, and--

. Q Do you know who prepared him for that press conference?

. A No, I don't. I assume that as Chief of Staff, Regan was involved in it, and I have to assume that Poindexter was involved in it.

. Q Beyond that--

. A But those are assumptions. I don't know--

. Q Did the Attorney General, for example, share with you his knowledge as to who prepared the President for that press conference?

. A No, although I certainly get the distinct impression that he had not participated in that, much to his chagrin.

. Q Now, of course, after the press conference was over, had you--did you watch the press conference?

A Yes, I did.

Q And were you watching it with the Attorney General?

A No.

Q Did you detect any problems in the press conference, with the President's answers?

A Nothing that made a particular impression on my memory--

Q You didn't have to call--

A --that comes to mind here and now.

Q You didn't call Mr. Thompson, for example, again, like you had after the 13th speech?

A No.

Q Did you share--

A That I can recall. I can recall an exchange between the President and some reporter on whether or not TOWs are shoulder-fired or whether they are, you know, launched from a stationary site.

And I certainly had no earthly idea what the answer to that was.

Q Was it the following morning, then, after the press conference on the 19th, was it that morning that the Attorney General shared with you his concern about the preparation that the President had had for the press conference?

A Yes, well, I am sure that at some point the following day, whether we met in the morning--

Q Do you usually meet with him in the morning?

A I usually participate in a morning meeting with the Attorney General; it is a staff meeting at which certain members of his management level staff are present, on a daily basis.

Q A daily meeting. What time is that usually held?

A 8:30.

Q Do you recall if you went to it that day?

A I just don't have any recollection.

Q It is not reflected on your chronology, that is why I asked.

A Yeah, and in fact, that meeting is not reflected anywhere on any of the days in this chronology, but I am sure I attended that meeting on many of the days reflected on this chronology. It is just a general session. We would not have gotten into any noteworthy conversation regarding the Iran matter at that meeting.

Q Would the subject of the President's performance the prior evening have come up?

A Yeah, entirely possible, entirely possible.

Q I guess what I am trying to get to here is, had the Attorney General shared with you his concern about the President's preparation for his press conference before or after you found that day that you were going to be attending a meeting at 1:30 with the Attorney General at the White House?

A I just don't have a clue. I couldn't give you a guess on that.

Q Do you recall when you were told that you were going over to a meeting at 1:30?

A When I was told that? No. I mean, it was sometime prior to 1:30, and I think it was sometime on the day of the 20th. I don't think it was before that.

Q Do you recall preparing to go to that meeting; in other words, reviewing the chronologies or the legal issues that you had been working on up to that point, before going to that meeting?

A I recall, actually there was some--there were a lot of things on my plate that day.

Q You were working on the Chicago speech, that you told us--

A No, actually that was behind me. That I had completed the weekend before, but I guess I just have this vague recollection that my preparation for that meeting was very hurried. It had to be compressed in a very short period of time immediately before I went over, and I tried to page through the chronology that we had up until that time, in order to prepare myself for it, and I am virtually certain that I had a conversation of a general nature with John McGinnis in preparation for it.

Q Now, as you understood it, the purpose of your attending the meeting with the Attorney General was what? The November 20th meeting at the White House.

Why were you and the Attorney General going to that meeting at the White House, as you understood it?

A As I understood it, it was the obvious purpose that lawyers attend preparation meetings with their clients, when they are preparing to testify on matters that have raised legal issues.

I fully understood it and likened it to the preparation of a client for a deposition in the civil litigation context. I mean, that is just basic to the way I approached it, and it did strike me as pretty obvious. Okay, that is point number one.

Q Let me just stop you there for a second. Did you understand that the reason was to prepare Admiral Poindexter and Dr. Casey for testimony the following day?

A Yes, I fully understood that Casey was going to provide testimony on the Hill the following day, and that Poindexter was going to brief the same cast of Congressmen and Senators as well.

Q Did you have any reason to think at that point that you, you meaning you and the Attorney General, that you were needed to be there because of anticipated conflicts or problems with their testimony?

A No, no, not at all.

Q Okay.

Did you have any sense that you were needed there, you and the Attorney General, to avoid possible problems that might arise the next day?

A No. I mean, in terms of--I think about this in terms of the context of what eventuated, but there was no hint or inkling in my mind that what, it did actually happen in terms of detecting a serious conflict, had no inkling that that might happen.

So, if that is essentially the--let me be clear on that--to the extent that is what you are interested in.

Q Well, that is only part of it. What I am trying to get to, in part here, Mr. Cooper, is how it is that the anticipated testimony of two non-Department of Justice officials rises to the level of concern that the Attorney General himself is asked to be there to review it with them, when the facts that will be testified to by those two people are facts which there is no reason to think that the Attorney General has any personal knowledge of.

A No, that is not correct.

Q Okay, well, let's go through that.

A And, in fact, it was clear to me that because the

Attorney General had the participation he did, particularly the legal call participation that he did in early January on this, that the meetings he attended, and the advice that he gave and the level of legal review that was given to this whole initiative was under intense legal scrutiny, was a matter of obvious concern and would be in the testimony, or at least in the Q-and-A, among the people on the Hill.

So, if for no other reason than to participate at that level with the individuals in Poindexter's office, the Attorney General's presence at the meeting seemed obvious. Mine was not nearly so obvious, but the Attorney General asked me to come along, I had been looking at legal issues, I had been reviewing chronologies, and it was just possible, I guess it struck him, that my participation might well prove helpful in some way, in case some legal issue with which I was acquainted, or had done some study on, became the subject of conversation.

As it happens, I was not an active participant, to say the least, in the meeting, though I do recall having held forth for a couple of minutes, frankly, on some legal issues, and it doesn't even occur to me what it was.

Q Well, at that point, you had had the chronology a matter of a couple of days, right?

A At the most.

Q Okay. And you, by your own testimony, have admitted that you were trying to get a handle on what the facts were. They were still being collected by the NSC staff--

A That is right.

Q --the chronologies were changing almost daily, every couple of days--

A They were certainly under constant revision, yes, as I understood it.

Q --and the Attorney General, as I understand it, hadn't been reviewing the chronologies, had he at that point?

A Well, I think that is right. He had not. I don't think--I mean, I would imagine--it is entirely possible I was giving him copies of the chronologies as they came in, but I don't think that I was.

Q You didn't view his being there as being there for the purpose of providing facts that might have otherwise, people might not know the answer to, did you?

A Well, he did have a personal involvement at the level that we have described. He met with the President, he met with Poindexter and others, in which legal issues were examined, and he rendered a legal judgment.

So, yes, he had that level of factual involvement on which his memory could supplement those of the other people in the room, and they could just make sure that nobody was under mistaken memory on the matter.

Q Do you think his decision to attend this meeting, as opposed to just sending you was motivated in part because of his reaction to the level of preparation that the President had been given the night before?

A I feel quite confident, yes, and that is my understanding. He would never have made the decision just to send me, however. I mean, to the extent there was somebody whose presence was not obvious, it was mine, and he, as I appreciate it and understand it, he brought me along in case I might be helpful in the meeting, but certainly not because I had any factual information to bring to the table.

Q You had judgment that you could render based on your knowledge at that point of the facts, and the issues on the horizon certainly.

A Yes, but as it happens, I didn't really get to share much of that, either. But the point is, I cannot recall having attended a meeting in the government where I felt like something--that the meeting was a waste because we had too many people there. I can recall many meeting where we didn't have the right people there, and I don't think it is possible to err on the inclusion side.

Of course, in this instance, we are talking about a very sensitive matter, and you wouldn't have invited--

Q Yeah, well Congress throngs to it. Congress was about to be briefed on an area that was obviously a highprofile area politically, an area of great concern and sensitivity to the Administration.

. A Absolutely.

. Q Now, the people at the meeting, you have testified ~~to~~ that your chronology indicates who they were. Mr. Poindexter was represented not only by himself, but he had his counsel there, Mr. Thompson. Mr. Casey was present, but did not have anyone from his legal staff, as far as you can recall.

. A That is right.

. Q His General Counsel, who at that time was who?

. A Dave Doherty.

. Q Dave Doherty was not present--

. A That is my--somebody was there with Casey, I don't think it was Dave Doherty.

. Q Mr. Wallison and his office was not represented, as you have testified?

A Right.

. Q Did you think it odd that he wasn't there at that point?

. A That Wallison wasn't there?

. Q Yeah.

. A By that time--

. Q Especially after the meeting two days before that.

. A Yes. By that time, I was beginning to sense and certainly appreciate the fact that Peter Wallison was not a participant in this, did not seem to be at all being included in this matter generally.

Q Was he being frozen out--

A I and Mr. Poindexter.

Q Was he basically being frozen out of this situation?

A I, within an hour of this meeting, certainly understood that that was his view of it.

Q Was it your view?

A It is obvious that he wasn't involved, so presumably conscious decisions were made not to involve him.

Q Did you think it odd that there was no one there representing Donald Regan, his staff?

A Not particularly, not particularly, and I really can't say it was odd that Wallison wasn't at this meeting, but I do think it was odd that he wasn't at any meeting other than the ones that he called to find out what was going on.

It was quite clear that there was some kind of fissure between the NSC and Peter Wallison of the White House Counsel.

Q Have either Thompson or Poindexter indicated to you in the past, prior to that meeting, that--

A No, I don't--

Q --anything that indicated that that was the status of the situation?

A I don't recall that to be the case.

Q Now, you have testified as to what happened at the meeting, and you testified about Mr. Casey having a prepared text, that it was being reviewed, and that there was an insert to the text that Colonel North was holding forth on.

Was there any discussion or text regarding Mr. Poindexter's upcoming testimony?

A Yes.

Q Let's start with the text. Was there any text or outline being reviewed by the assemblage with regard to Poindexter?

A No. And Poindexter was not going to testify. He was going to brief.

Q Yes, let's clarify that. He was going to brief the House Intelligence Committee, was he not, the next morning?

A One of them, to tell you the truth, I don't know who. I thought he was going to brief both of them during the course of the day.

Q He did brief both, I believe. It was the House Intelligence Committee I think he briefed first.

A Yes.

Q First thing--

A Fine.

Q But he didn't have a prepared text or notes, as you recall?

. A No, I think he did have notes and an outline of some kind, or at least that was my impression. I do tend to recall that he made mention of the fact that he would follow his outline, which closely followed the testimony that, as I understood it, I had never seen the thing, but as I understood it, closely followed the testimony that Casey had prepared, and that as it was revised in our meeting.

. Q So, was it your sense that Admiral Poindexter gave you and the Attorney General the impression that he was basically going to be stating the same things that Casey was going to be stating?

. A Yes.

. Q And that there weren't going to be any--you didn't see any anticipated discrepancies between their versions of the events?

. A No, right.

. Q Were you satisfied, in light of the fact that the chronologies that you had been getting were changing constantly, that Poindexter was in a position of knowing enough of the facts solidly to give a briefing the following morning?

. A Well, I had no reason to doubt that the information that had been collected and established as of that moment wasn't the best information developed up until that time, notwithstanding the fact that even that information might

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well, upon additional development or efforts to gather the story, change or modify; and in fact, it was just precisely that point that I discussed with Mr. Casey the following morning--

Q Exactly.

A --which got put into his testimony.

Q Exactly, that he should make it a point to let the committees know that this was based upon his best knowledge at that point, and the facts were constantly being updated by those who were most knowledgeable.

A And that the facts were being gathered and we are doing our best, and we are refraining--and he made this statement in his Q-and-A, in fact, I am told, that we were refraining from saying anything with respect to the state of CIA knowledge, let alone USG knowledge regarding the type of goods that were being transferred in that November Hawks episode.

But, yes, that is the point. I had no reason to suspect that this wasn't the best information that was therefore accurate to the extent it was possible for it to be accurate, under the present circumstances.

But there was no question but what these--that the facts as we then understood them were going to be shared with the Congress the following day. Congress was not going--nobody was going to suggest, ''Let's just tell them,

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look, we are going to put this off another week as we continue our fact-finding.'' That would not have done in the circumstances that prevailed at the moment.

Q Now, when you met at that meeting, the 1:30 meeting on the 20th, the language was proposed at that point, no one in the U.S. Government had any knowledge, and it was accepted.

Later that day, of course, you learned about the conflict with Secretary Shultz's knowledge. When you learned about the conflict with Secretary Shultz's knowledge, you brought it to the attention of Thompson immediately, right?

A Well, actually, Wallison brought it to both our attentions contemporaneously. He had the secure code phone call with Abe, and mentioned that Secretary Shultz recalls a telephone call or a conversation with McFarlane.

RPTS TETER

DCMN TETER

Q And as I recall your testimony, it was at the end of that day, the very end of that day that you spoke with Counsel Doherty over at CIA and he informed you that he had taken that language out of the draft for Director Casey. Am I right?

A That's right. It was either at the very end of that day--

Q Like midnight.

A --or the very beginning of the following day.

Q And even having been told that, you still were planning on going over the next morning, as you did, to review it one last time?

A That's exactly right.

Q Now, after that phone call with Doherty, did you--I can't recall if you've testified to this or not, did you contact, or anyone on your behalf contact Thompson or Poindexter to tell them that that statement had been removed from the DCI's testimony, anticipated testimony, that it was not going to be used?

A No. I'm pretty confident I didn't make any phone calls after Doherty. At least, I certainly don't recall any.

Q Okay.

A But I was--that was an evening filled with phone calls.

Q In fact, I believe you testified you were trying to reach Thompson at the Kennedy Center in order to get telephone calls over to Poindexter and McFarlane as you were trying to iron out their stories.

A Actually, just McFarlane, or at least that's my recollection.

A Okay. Here's what I'm trying to get at. Between the time Doherty told you that that statement was coming out, no U.S.--no one in the U.S. Government--and the time the next morning you met with Casey, Director Casey, just before his testimony, as you testified to he was dashing off to make, during that time interval there, did anyone, to your knowledge, contact Poindexter or his office to let them know that Casey is coming off of that statement, that statement is not going to be used?

A I don't understand that that is the case, no, because, to the best of my recollection, in my conversation with Poindexter, he advised me that he had called Casey to tell him that, to share with him the advice that I had given to him, Poindexter, but that Casey--he had woken Casey up and that Casey's response was--satisfied Poindexter that he could not be confident that any real communication had taken place because Casey was very groggy and sleepy, so I do not understand that, at least, when I concluded my work that evening, that Poindexter knew that Casey was cognizant of the existence of a problem. I feel certain that I told Poindexter that I'm going to go out there in the morning in all events and make sure that there's no slip-ups on this.

But no, I do not understand that Poindexter knew that Casey was squared away on this. Maybe he did. Maybe--

Q I think you might have lost me. Let me make--get it clear for myself.

Was it your understanding that by Friday morning, when you met with Mr. Casey, that Poindexter, like Casey, was not going to state--

A Oh, yes, that's--

Q --no one in the U.S. Government knew?

A Yes, he was not going to state that. That was my understanding.

Q That was based on your conversation with him personally?

A Yes.

Q Okay, and that was late that evening?

A It was--yes, late that evening, after my conversation with the AG, which was pretty late that evening.

Q Okay.

That was despite the fact that McFarlane hadn't changed his story, vis-a-vis Shultz.

A I don't think I outlined to Poindexter the basis on which I doubted--we doubted the accuracy of the ''no one in USG statement,'' but I did explain to him that we doubt the accuracy of it or uncertainties have arisen so don't use it. There's no reason to use it, just don't say anything on that. We don't know what the facts are. And he was not at all resistant. He was entirely yielding to that advice.

Q But certainly the impression he'd given you was that he didn't know about it. Mr. Poindexter.

A Exactly. My impression from--throughout, was that Poindexter was a receiver of facts on that matter, not a knower of facts. Just very little difference between him and me on it.

Q Was he and Casey, in your mind, free to state to the committees that maybe someone knew about it?

A Excuse me?

Q Were they free, in your mind, to state to the committees that maybe somebody knew about it prior to January?

A I would not have objected to such a statement, but neither--but even that was not--I mean, maybe somebody knew about it--

Q In the U.S. Government?

A Yes, but we did not know that somebody in the

U.S. Government had known that there were Hawks on that plane. I don't think one could have--I would not have been comfortable at that time stating the proposition one way or another, but to state it maybe would not have troubled me at all. But I frankly would prefer that the matter simply not be raised and that following the general catch-all of issues and facts, it was still trying to run down.

Q And if it had been raised, what was the position he was going to take, Casey?

A Casey?

Q Yeah, if someone raised that question, a member.

A We're still examining that question and we just don't have--we don't have a confident response for you on that.

Q All right.

The next thing I'd like to go over with you is the debriefing. Now, I believe, after you went out to the CIA that morning, you came back to the Department of Justice and, at some point, you had--I believe it was you had lunch with the Attorney General

A Right.

Q And John Bolton was present at that--

A Wait a second, what lunch is this?

Q This would have been on Friday, the 21st.

A Well, I have a Bolton (?). My memory hasn't improved since I wrote that.

Q Well, let's--

A And John did not take any opportunity yesterday when that was noted to improve our understanding, so I don't know. Maybe he doesn't.

Q He had given me the impression at one point that he was there, but I'm not going to testify.

A He was--I know this. He was at some of the luncheons that we had. We were having lunch together, i.e., the Attorney General, me, Brad Reynolds and John Richardson. We were having lunch together pretty consistently throughout this week-long period of time. And I remember John was there for several--on several of those occasions, though not every occasion.

Q Okay.

The Attorney General had met with the President that morning and the President had given him the go-ahead to pursue an investigation, as you've testified, and of course, it was at that point that McFarlane--excuse me, Poindexter, had just finished, or was in the process of briefing the House Select Committee.

Now, did the Attorney General indicate that he had any discussions with Admiral Poindexter, either before or after meeting with President Reagan Friday morning, the 21st?

A While he was at the White House?

Q Right.

A I do not recall any statement by the AG to that effect. It would not surprise me, however, if he had said that to me * , but I don't know either whether he made the statement or whether he had a chat with Poindexter.

Q You just have no knowledge one way or the other.

A I just don't have any recollection of it. What I do have a recollection of and did when I had this chronology was that he met with the President with Regan present.

Q Fine.

Do you have any knowledge of whather or not the Attorney General that morning at the White House met with or spoke with Oliver North?

A I have no recollection of that.

Q Is that the kind of thing that if you'd heard about it, you'd probably remember to put on the chronology?

A Oh, yes, I think I would. Now, I do know at some point between that time and Sunday, he talked to North, and probably talked to him two times, to schedule and arrange for his visit with us. But it's my understanding that that didn't happen until Saturday.

Q Uh-huh.

A When he first talked with North about coming to meet him. It's also my recollection--and this actually may be in addition to what I've previously testified--that it's my recollection, though it is vague, that we wanted North in on Saturday, Saturday afternoon late, but that couldn't be arranged.

I could certainly be corrected on that, but, in any event, that is my best recollection.

Q Okay.

Now, Mr. Bolton that morning, I believe, went to sit in on the testimony of Casey--

A Uh-huh.

Q --before the committees. Was there anybody from Mr. Bolton's office, or on behalf of the Department of Justice, for that matter, attending the Poindexter briefing?

A No, I don't think so. I don't recall anybody having done so.

Q Was anybody at the Department tasked with the responsibility of debriefing Poindexter after his debriefing of the committees to find out what he had to say to them?

A No, certainly not that I can recall.

Q So had an inconsistency taken place between the testimonies of Casey to Congress and Poindexter to Congress, you wouldn't have been in a position to know about it by that noon luncheon on Friday?

A That's quite true.

Q Okay. If you recall, at that noon luncheon, did Mr. Bolton give you a briefing or the Attorney General of what Director Casey had--

A I don't think it was at that luncheon.

Q Do you think it was before the meeting with McFarlane at 3:30?

A I--yes, I do think that, but--

Q Okay.

A --it's entirely possible that it wasn't, and that, in fact, he briefed us after that, but my best recollection is that he briefed us sometime midafternoon.

Q But it was that day? You are very confident it was that day, the 25th?

A Yes, I am quite confident of that.

Q Who was present for the briefing, as you recall, besides yourself?

A I would expect that Brad and John Richardson were.

Q And was the Attorney General present?

A Oh, yes.

Q And without recounting his entire briefing, with regard to the points that you had been specifically involved in in ensuring the accuracy of--what was Mr. Bolton's recounting of that?

A That Mr. Casey's testimony on those matters that

I was particularly alert to was entirely consistent with my hopes and expectations.

Q And prior to Mr. Casey's testimony, had you been able to brief Mr. Bolton on how you had left it with Mr. Casey out at Langley--

A Prior to that?

Q Yes.

A I don't have a specific recollection of it, but I would imagine that he was somehow alerted to the relevance of November--

Q The Shultz discrepancy.

A I just don't remember whether we got into that, to tell you the truth, but I think he went up there knowing that November was an important subject matter of discussion.

Q And he took notes, in any event; didn't he?

A Yes.

Q And he had the benefit of those notes for the review, the briefing he gave you and the Attorney General.

A I recall very well that he paged through his copious notes.

Q And he had a copy of the prepared text that the Director had with him?

A I do not remember that. I wish he had because I would have found it last night.

(Laughter.)

BY MR. LEON:

Q But you recall satisfying, to your own satisfaction, in getting your briefing, that Director Casey's testimony was consistent with your understanding of what it would be when you left him at Langley?

A Yes. The only thing that was new or particularly noteworthy about Casey's testimony as reported by John Bolton was the fact of certain information contained in documents that were gathered and preserved by certain Federal agencies.

Is that better--

[Laughter.]

THE WITNESS: --based upon your remark yesterday as to the word I should not use?

BY MR. LEON:

Q Yeah, I think ''intelligence,'' certainly using the word ''intelligence agency'' is okay, and materials of an intelligence agency.

A All right.

Q Before I move on to the McFarlane meeting, I'd noted in my notes that when you were testifying about Exhibit 8, which is the chronology on the 20th of November, the 2000 hour chronology, if you want to call it, historical chronology, that you commented at one point that the information was being gathered and updated feverishly, and as a consequence of that, you didn't feel you had time to be sitting there, you know, comparing the various stages of the chronology because you understood they were being changed on a regular basis.

A That's right.

Q Is that consistent with your recollection of your testimony yesterday?

A Yes.

Q I guess my question is, what was the great sense of rush? At this point, you didn't know anything about the diversion memo clearly. You're doing a legal analysis of issues; there's no court date on the horizon that you have to be prepared for. Obviously there were important facts and issues to be looking into, but, you know, they were being gathered and worked at, you know, diligently.

What was it that--what was your sense of what the rush was to get it all assembled and to reach a conclusion?

A My rush?

Q No, the rush over at the NSC. I mean, the rush to get the facts together quickly and to come up with some legal conclusions. What was the great urgency?

A I don't think NSC was rushing to come up with legal conclusions.

Q Okay.

A That was my job, at least my job as I understood it in relation to my superior, the Attorney General, who wanted to hear from me my legal analysis on the issues and the statutes that apply.

Q I'm talking now pre-20th.

A But their rush to put the facts together was to--was to accurately share them with Congress.

Q You mean the--

A I'm not sure that I was at all satisfied with the state of their urgency--

Q Yeah, let me--

A I thought that this project was, you know, as complex and as long a period of time as this initiative had consumed. I guess I was a little impatient, frankly, with their ability to gather the facts. But--so it didn't strike me that they were--while they were proceeding, I am sure, with dispatch in an effort to get it done so that the story could be shared with the Congress--keep in mind the context in which this whole thing took place.

It was even then at a fevered pitch, the political controversy that had been created by this. Remember the press conference.

Q Oh, yes.

A Remember the controversy was so intense that the President felt like he had to speak to the Nation a week earlier. This was a very big-ticket item for the

Administration from a political standpoint.

Q What I'm trying to--

A People were trying their best, I think, to provide the facts of the Administration's story and explanation for this initiative. It was kind of dribbling out in one successive news story after another, rather than in a coherent story with a beginning, a middle and an end.

Q Okay. Let me see if I can put it in context.

Up until the 20th, up until the point on the 20th when you had a dispute between two cabinet officers over a very important fact, up to that point, the sense that I've gotten from your testimony is that there was great rush and urgency over at the NSC to assemble these facts and put it into a chronology. That's the sense I've got.

A I don't think that's inaccurate.

Q Okay. And so much so was the case that these chronologies were changing. I mean, I believe there was a chronology at 1300 hours on the 20th; there was one at 2000 hours on the 20th. I mean, they were changing constantly.

A Yes.

Q And--

A They were being revised and updated, was my understanding.

Q And as experience certainly would dictate, when you're trying to master a huge project under great haste, mistakes can be made and facts can be overseen.

A Absolutely. Absolutely.

Q Was there any sense prior to that that maybe they're going toofast; we've got to slow these guys down; let's get the facts right the first time; let's not let anything fall through the cracks.

Was there any sense that maybe the NSC was rushing so much that they were going to overlook something?

A That was not a sense that I had developed. It may well be, Mr. Leon, that if I went through the various versions of the chronology and compared them painstakingly, which I have never done--

Q Uh-huh.

A --but if I did that, I'd get a sense that is similar to the one you described--

Q Okay.

A --but I didn't have it then. I had a sense, certainly, and it was my view that the matter should be accurate, whatever facts are shared and whenever they're shared, they should be facts on which we have confidence of their accuracy.

Q Okay. Obviously, I couldn't agree with you more.

Now, let's shift to the 20th. Now, on the 20th--

A But that we should do our darnedest to gather as much of the factual story as possible to share at the earliest possible time.

Q Of course, of course.

A Beyond that, really, I guess I would not be willing to accept any other characterization.

Q On the 20th, you have a new situation, as I can see it. You've got a conflict on major factual issues between two cabinet officers and the Attorney General recommending--and his recommendation being accepted by the President to begin an investigation into the facts.

A That's on the 21st.

Q Excuse me, the 21st, and a deadline has been set, at least tentatively, of 2:00 Monday.

A Right.

Q Three days later.

A Right.

Q To do an investigation into the matter for the NSPG meeting coming up. Who set the deadline?

A The President. It coincided with the NSPG meeting that was scheduled to discuss the Iran controversy initiative.

Q Do you have any knowledge from your discussions with the Attorney General or anyone else as to whether or not setting that short a deadline was raised as a problem at that meeting between the President, Donald Regan and the

Attorney General?

A No, I don't have any knowledge that that was.

Q Was it your sense that the Attorney General thought that was a reasonable deadline to do this type of an investigation?

A Well, now, I really think that the scope of the investigation that I infer that you have in mind may be a little bit different than the scope that I have in mind. The focus of our attention, my attention, certainly--

Q On Friday.

A Yes. Was pre-January. Everything that happened after January seemed not to have a whole lot of controversy about it. There weren't collisions in recollections--

Q Uh-huh.

A --that we had detected or had taken note of. There certainly weren't--we were comfortable with the legal posture of post-January, so our focus was pre-January.

But even thus limited, the period of time that we had to interview the people with knowledge regarding pre-January, whether the United States of America had a formal, official role in those events was very short, and we were fully sensitive to that fact.

Q And you were proceeding into that investigation, is it fair to say, on the assumption that those who you would be talking with would be totally candid and forthright and honest about their knowledge of the U.S. Government's knowledge of the events?

A Well, yes, with the footnote that we had reason to believe by then that the recollection of Mr. North and Mr. McFarlane with respect to the November episode was flawed on a point that it was--it seemed unlikely that one's recollection would be flawed. Okay? So it was not with blinders on or with, you know, an overly naive sense of trusting that I approached the interviews, either of Mr. McFarlane or Mr. North.

Q In the case of McFarlane, you had reason to be suspect because there was a direct conflict between him and Secretary Shultz, who had notes verifying what he believed McFarlane knew; correct?

A That's right.

Q Okay.

With regard to North, as of that Friday afternoon, your question as to North's candor would have been in your mind based on what?

A Well--

Q The assumption that McFarlane had told North that he knew prior to January?

A No, nothing--nothing--well, certainly the distinct possibility--

Q I mean, why were you suspicious of North as of

November 21st?

A I think perhaps to say ''suspicious'' puts it too high.

Q Okay.

A It was with the footnote that I've already described.

Q In other words, when he proposed no one in the U.S. Government knew about that--

A He may well have been nothing other than a reporter of what McFarlane told him--

Q Exactly.

A Certainly that is true.

Q Exactly.

A Certainly that is true.

Q Okay.

A Nonetheless, it is also possible that he was not just a reporter on that fact.

Q You know there's a close relationship between North and McFarlane.

A So I was given to understand. And I did know--or at least I was given to understand that the two of them were the principal authors, so to speak, of the chronology and that they had worked together in an effort to produce the chronology.

Q Who told you that?

A I think Paul Thompson did. But certainly when Paul Thompson--when I told Paul Thompson to go back to North--

Q On Thursday night.

A On Friday--on Thursday night to go back to North and particularly have him reexamine McFarlane--

Q All right.

A --the response that I got back was that that had been done, but there was no change in their recollections. Of course, since then, I had an additional reason to place credibility in the Secretary--in the State Department's understanding of the events.

Q Exactly.

A So I think at this moment, we may understand each other on the state of our mind.

Q I think that is very important for the record.

A And it is very important on the state of the--

Q The Attorney General's mind?

A Well, I can't represent that, but that is my best to represent my own.

Q Let me focus your attention on--

MR. LEON: Can we go off the record for a second.

[Discussion off the record.]?

MR. LEON: I would like some reference on the record that we will be proceeding ahead without representation by Senate counsel and House majority counsel just so that we can keep going and at least that's on the record.

MR. BOLTON: I would be prepared to offer on Chuck's behalf as well that if, when you do see the transcript or hear reports of the questioning that goes on in your absence, if you've got further questions before Thursday, if they're relatively brief, we will try to address them, either over the phone or--

MR. LEON: Could do a conference call or something.

THE WITNESS: Of course.

MR. LEON: So the House and Senate counsel have no objection to our proceeding?

Is that a yes?

MS. NAUGHTON: Assuming there are no off-the-record conversations of substance that I won't get in the transcript.

THE WITNESS: I will not participate in any such--

MR. LEON: There absolutely will not be.

MS. NAUGHTON: Fine, Thank you.

MR. PARRY: Nor involving me.

[Laughter.]

MR. LEON: I will give you the same assurances.

that there will be no such thing.

[Whereupon, at 1:00 p.m., the deposition was recessed for lunch.]

AFTERNOON SESSION (1:25 p.m.)

MR. LEON: (Presiding) We're back on the record in the never-ending saga of the Charles Cooper deposition, Phase IV, I guess we're in now.

We have present John Bolton, Assistant Attorney General, and obviously Mr. Cooper and myself, and Tina Westby.

When we left off, Mr. Cooper, we were on November 21st events and I was commenting, I believe, on one of your earlier statements in the deposition about the feverish pace at which they were doing the chronology. I was inquiring into why it was that the NSC seemed to be rushing to get everything compiled.

Now, of course, things shifted on the 21st to a dispute between cabinet officers, a rather important fact, and now an NSPG meeting was the new deadline to iron out at least a portion of the investigation relating to the pre-January events. And with that as a context, let me--let me, before I go into the McFarlane interview and the matters relating to that and strategy of the investigation, take you to Exhibit 15, which I've noticed in my notes I made some notes about that I wanted to ask you.

Let me hand you Exhibit 15, Mr. Cooper, which I believe is the insert that you were reviewing at the meeting on November 20th; is that right, the CIA-proposed insert?

THE WITNESS: I don't know who's proposed it--

MR. LEON: Well, that's a good point unto itself; you don't know who proposed it.

THE WITNESS: In other words, I just don't recall what the precise origin of it was; whether it was something that the CIA offered. I suspect strongly that it was. I doubt it was NSC since the person who had the most knowledge at NSC, obviously, or at least apparently, Colonel North, made a number of suggestions for change in it, so presumably it did emanate from CIA. But, yes, this is the document that I referred to yesterday.

BY MR. LEON:

Q Now, what portion of the meeting would you estimate--I think your notes indicate the meeting went from 1:30 to 3:00. What portion of the meeting would you say that the discussion of that document, roughly, concerned? Twenty minutes, an hour?

A I really don't have much confidence in my estimate, but the estimate that I would hazard would be in the nature--in the neighborhood of 20 minutes or to an hour. This event, from a factual standpoint, was--this November event was the dominant source of discussion and we did focus attention on this particular insert more than, to my recollection, we focused on any other single matter, and more than we focused on the rest of the testimony itself.

Q Did Mr. McFarlane's name come up in the context of these events here being reviewed since he was the NSC advisor at the time?

A I feel certain that his name came up during this meeting. Whether it did in the context of this particular November matter, I just don't recall. It's entirely possible.

Q Do you recall anyone commenting that we've spoken with Bud McFarlane and he doesn't know? He didn't know about anything pre-January?

A No, I don't recall any particular reference having been made to McFarlane by North, who was the one who was making this point that you're referring to, but I do recall--or it is my recollection that Colonel North made the point that to leave it the way it is is to suggest or provide the basis for an inference that someone other than--someone at NSC or elsewhere in the United States Government knew about this and that was not the case.

So presumably that would include, at least to North's knowledge, McFarlane.

Q And you were aware at that point, were you not, that McFarlane had been involved in helping putting together the chronology?

A That was certainly my understanding.

Q And, therefore, that North and he and Poindexter had been in contact with one another relatively recently about these very matters.

A That was my conclusion.

Q So you have no reason to think that what was being proposed here was inconsistent with what Bud McFarlane's knowledge was at that time?

A No, I had no reason to think that. In fact, I had, I think, a basis to conclude precisely the contrary, that this was consistent with his--McFarlane's understanding of the facts and represented, in fact, his and North's understanding of the facts.

Q The phraseology that was agreed upon at that meeting that no one in U.S. Government had knowledge, did that strike you on that occasion as being a little too categorical?

A No, not at the meeting, it didn't.

Q The next morning--

A After the fact, that was the fact. I had no basis on which to question it.

Q The next morning, you proposed to Director Casey a caveat-type of language that he should include in his testimony with regard to the facts that he knew.

A Yes.

Q Did that come up as a possibility at that meeting with regard to this statement?

A No.

Q No.

Did the Attorney General, at that meeting on the 20th, make any comment to those assembled, Mr. Casey, Admiral Poindexter, Colonel North, did he make any comment to them about his surprise, since he had registered it to you a few days earlier, his surprise about pre-January events?

A Who?

Q The Attorney General

A When I--it was--I was thoroughly clear that the Attorney General did not know about the pre-January arms activities prior to the time that we, he and I, were made aware of that in the chronology.

Q And he knew that before this meeting on the 20th because you had told him about it, the January 17th events.

A The January 17th?

Q I mean the pre-January events, excuse me.

A Yes.

Q So what I'm wondering is, at the meeting on the 20th, which brought together a lot of the major players, did he express to them on that occasion the same kind of surprise that he'd expressed to you when you brought his attention to pre-January events? Did he express that kind of surprise to them?

A I do not recall that.

Q Okay.

Do you know if he ever did in any other setting with them?

A He may have done it in that setting; I just don't recall that element of a conversation of the meeting, if indeed, it was an element of the meeting, but neither do I recall anything that answers to that description at any other time.

Q Okay.

Did he voice any--the Attorney General voice any--make any point to you about Don Regan or his office not being present at that meeting on the 20th? Did he comment to you either way about that?

A I don't recall a comment to that effect, no, or an observation along those lines.

Q What was Mr. Wallison's reaction to being informed later that day of the discrepancy between McFarlane and Shultz on the pre-January knowledge of the Hawk shipment?

A I--his reaction was not one of perceptible or particular noteworthy change in his demeanor. He expressed to us what Abe had just said and--

Q Was he concerned about it?

A Yes. I certainly--his reaction was not one of unconcern, but I think I was--I would not describe his reaction as an agitated or excited one.

Q Did he express the possibility of a need for an investigation?

A No. I don't recall that.

Q Did he express any intent on his part to bring it to the attention of Donald Regan?

A I do not recall any expression to that effect.

Q Did the Attorney General inform you after his meeting with the President and Donald Regan on Friday morning, the 21st, that Donald Regan had, at that meeting, mentioned being informed by Wallison on the previous day about this discrepancy?

A No.

Q Do you have any knowledge of Wallison ever informing Donald Regan about that prior to the meeting with the President?

A I have no knowledge at all of what, if anything, Wallison did as a consequence of that meeting.

RPTS TETER

DCMN TETER

Q Did you inform Wallison on Friday, after the Attorney General requested the investigation and the President authorized one? Did you inform Wallison the investigation would take place?

A No, I don't think I had another conversation with Peter throughout the factfinding--

Q --weekend.

A Yeah, weekend.

Q Okay.

A As a matter of fact, I think the next time I had a conversation with Wallison, it was Tuesday morning when I went over there and we started working on the President's statement.

Q All right.

Now, at the lunch on Friday with yourself and the Attorney General, Brad, Mr. Bolton, I believe was present. Is that right, Mr. Bolton?

MR. BOLTON: I recall being present.

MR. LEON: Okay.

THE WITNESS: That's consistent with my chronology.

BY MR. LEON:

Q And John Richardson. John Richardson was there. J.R.

A Well, I defer to my chronology on that. I can say that, yes, he was.

Q Was it at the time of that luncheon that the Attorney General laid out the game plan for the investigation or was it afterwards?

A We discussed the matters that--the task at hand. Whether or not we closed on a so-called game plan is something I can't confidently state, but we discussed the things that we needed to do, and including identifying the people we needed to talk to.

Q Okay.

A And either at that lunch or very shortly thereafter, we arranged--we had discussion about the order in which we ought to try to speak to these people.

Q Let me focus your attention on the first page of Exhibit 1.

A Uh-huh.

Q These are your notes; are they not, on this page?

A These are--at least the notes above the fold, so to speak, are mine. There is a small square note that John McGinnis wrote to me on the bottom, at the bottom half of the page.

Q What does that note begin with, the one McGinnis wrote?

A ''Chuck.''

Q Okay. And it ends with what word?

A ''McFarlane.''

Q Okay. But all of the handwriting above that is yours.

A Everything else is mine.

Q Okay.

Now, when did you take these notes, if you can recall?

A I cannot recall. I do not remember whether I took these notes as we planned the interviews that we would have or whether I took them after we had had some of the interviews that we were going to have. I just don't remember when I did it. It's entirely possible that I took these notes before, but I can't state that with firmness.

Q Would it be fair to characterize the listing at the top that starts with McFarlane's name and it goes down to Casey's name, would it be fair to characterize that as a proposed batting order in which to see the witnesses?

A If I did this before we actually saw them, yes, that would be fair--it would be fair to characterize it in that way.

Q Well, is it, in fact, the order that you ultimately saw the witnesses in?

A Yes. At least the ones that I participated in the interviewing. I can't speak from the standpoint of personal knowledge that the ones below the bracket, that is, the ones below North, were seen by the AG in that order, but they were certainly seen by the AG in turn, in some order.

Q Let's clarify it. According to your chronology, and I believe your testimony, you saw McFarlane first; is that right?

A That's true.

Q And Shultz was seen the following morning, Saturday morning.

A That's right.

Q Sporkin followed later that day.

A Right.

Q North wasn't seen Saturday, was seen Sunday afternoon.

A That's right.

Q Between Sporkin on Saturday morning, I believe it is--

A Sporkin was Saturday afternoon according to my chronology and my memory, although I take it from yesterday that there is some uncertainty about that.

Q Between Sporkin and North, the Attorney General spoke with Mr. Casey over the phone?

A Excuse me?

Q He met with Mr. Casey that evening, Saturday evening; did he not?

A Yes, yes, that's my understanding.

Q And then he spoke over the phone, was it, with Secretary Weinberger on Sunday?

A I--he did speak over the phone, or at least that's my understanding. It was certainly not at any time when I was present that I recall.

Q Let's take a look at your chronology to see if we can pinpoint when he spoke to Weinberger.

A I don't think you'll find Weinberger reflected on this chronology.

Q Do you remember him reporting to you that he had spoken with Weinberger?

A I do not.

Q You don't. Are you confident that he had spoken with Weinberger before he saw the President?

A Yes.

Q Okay.

All right. Then turning your attention to the--

A Before he saw the President on Monday morning?

Q Monday morning.

A I guess I can't say I am confident of that. He may have spoken with Weinberger after that.

Q All right.

Then turning your attention to Monday the 24th on your own chronology, according to that, the Attorney General met with McFarlane again at 10:00. Then he met with the President and Donald Regan together. Is that right? AG at 11:00. It says, ''AG meets with President and Regan.''

A Yes.

Q And then he separately thereafter met with Poindexter.

A Right.

Q And then he separately met with the Vice President.

A That is my understanding.

Q Okay.

Now, let's start off by focusing on--so, looking back to now the batting order on the first page of--or the listing--I shouldn't say batting order--the listing on the first page of Exhibit 1.

As to the witnesses below North, as it turned out, that wasn't the order in which they were seen. Because under that order, Poindexter and the Vice President are seen before the President and Regan is seen after the President and Casey is seen after the President when, in fact, it didn't turn out that way.

A Apparently that's the case.

Q Okay.

Now, I believe you testified that McFarlane certainly was one of the people on this list--

A I want to say that I don't have a high level of confidence regarding my chronology's representation or the suggestion that the chronology gives that he met with the President and Regan before he met with either Poindexter or the Vice President. That is--

Q You're not sure.

A I'm not. He may well have met with Poindexter first, the Vice President second. I just don't know whether this reflects an understanding I had at the time that I wrote it that this was the order, as opposed to the--in which he met them, as opposed to the fact that these were the people he talked to and he talked to Poindexter and the Vice President separately and apart from anyone else.

Q So you're not certain about the order.

A I'm not, though I have to say I think that this would also record my understanding at the time of the order.

Q All right.

Now, you've testified that McFarlane--as to Mr. McFarlane, certainly there were--there was concern before he was even interviewed that he might, because of his discrepancy with Secretary Shultz, he might not be totally candid.

A McFarlane?

Q Right. I think you've testified to that.

A I've testified that it was against the discrepancy that we had discovered that we interviewed Mr. McFarlane.

Q But you were concerned about his candor; were you not?

A Afterwards?

Q Before. I think you just testified a while ago that, as to North and McFarlane in the beginning of the investigation, you were worried--you were concerned about their candor.

A Against the backdrop of--

[Telephone call.]

MR. LEON: Let's go off the record.

[Discussion off the record.]

MR. LEON: We're back on.

THE WITNESS: I don't want to appear to be resisting your characterization. It was against the backdrop of the discrepancy that was discovered on the Hawk episode, coupled with evidence to suggest that it was the State Department version which was most likely to be correct that I approached the interview with McFarlane, but I would resist the notion that I expected him not to be candid or anything like that.

Q I'm not saying that. What I'd earlier asked you was, when you began the investigation phase that afternoon on Friday, were you proceeding on the assumption that everybody that you would question would be truthful and candid, you know, fully complete in their testimony? And I believe--I don't want to mischaracterize now, but I believe your answer was, well, there were concerns about North and Poindexter--excuse me, North and McFarlane, based on the events of the night before where you had a Shultz story corroborated by notes, versus a McFarlane story, not corroborated by notes, which not only McFarlane was unwilling to change, but which North, upon learning about the discrepancy, was unwilling to back off of his position, even, which raised some questions in your mind with regard to North and McFarlane as to whether they'd be completely candid.

I think that's what you said and I want--

A I would just prefer the cold transcript to--and the--to reflect what it is that I said on that--

Q Let me put it to you succinctly. Were you concerned, as you began the investigation, were you concerned, personally, with respect to McFarlane and North as to whether they'd be completely candid and honest? Were you concerned?

A I was wary. It was not, as I tried to mention earlier, it was not with blinders or without--it was not without this awareness of and sensitivity to the evidence that had previously come to us that I approached the interview with Mr. McFarlane.

Q Okay.

Now, do you think--

A I should add, I'd never met the man.

Q I understand.

A And I had no other reason for entertaining any doubts about his candor.

Q Do you know if the Attorney General had any doubts in that regard as you began the investigation?

A I don't think--I don't recall either of us having discussed it particularly.

Q Now--

A But it was obviously--it was obviously Mr. McFarlane's and Mr. North's adherence to a version of the facts contrary and understanding the facts supplied by other sources that the whole thing was taking place in the first place.

Q And that was certainly a great concern to you. I assume it was the Attorney General's decision and not your own to question Mr. McFarlane first in the order of witnesses.

A Yes, I was not--the Attorney General was making the decisions here--

Q Right.

A That, however, was one which I entirely concurred.

Q Do you have any insight--did he provide you any insight as to why he wanted to start with McFarlane, who, in ~~you~~ your mind, at least, was--you were wary of, as opposed to waiting until later, after you'd heard other people's stories before you met with him?

A I think McFarlane was the obvious first choice. He was the one alleged to have had a 50 percent role in the conversation that the Secretary of State recalled and which was allegedly documented in contemporaneous notes. So, talking to him directly about that seemed to be to us the first thing on the list.

Q Now, you'd never run a criminal investigation before, had you?

A I had not.

Q This wasn't a criminal investigation; I don't want to imply that, but this wasn't one.

A It was not.

Q Okay.

The Attorney General had been a prosecutor in his youth; had he not?

A Oh, yeah, he had.

Q Was anybody else on the team, so to speak, a former prosecutor besides the Attorney General?

A No, not to my knowledge.

Q Are you aware that it's common in the conducting of criminal prosecutions to leave the targets, so to speak, the questionable people in the investigation, until the end of the investigation, after you've gathered evidence which may tend to corroborate or not corroborate their testimony?

Are you familiar with that technique as part of a criminal investigation?

A Well, I'm not familiar with traditional techniques of criminal investigation--

Q Okay.

A --but I certainly don't resist that proposition, though. It seems to me to be logical and to make sense.

Q Do you think Mr. McFarlane would have--did you expect Mr. McFarlane would have some kind of documentation that might support his version or recollection of the events?

A I didn't know what he might have to--

Q He hadn't alluded to any in the conversations he had had with Thompson, certainly, had he?

A I have no idea. I don't know of any conversations he may have had with Thompson particularly

Q Well, hadn't Thompson reported that he had spoken with McFarlane and that he wasn't changing his story?

A No, I think--my recollection is that he spoke with North, who, in turn--

Q Oh, with McFarlane, all right.

A --and, he hadn't, and in fact, subsequently he hadn't been able to get in touch with either of them. That's my recollection, anyway, after I reiterated my urging to him to get back to him if he could and advise him of what I had just learned. That changed their recollection or improved it, so I don't think--I'm not aware of any conversation he may have had with McFarlane.

Q When you had finished the questioning of McFarlane that afternoon, I believe you testified that you and the Attorney General spoke about it and you each expressed concern about his candor. Is that fair?

A I think we both had a sense of--let me say a lack of complete confidence that Mr. McFarlane had been entirely forthcoming.

Q Okay.

And you've testified that he didn't mention anything about Oliver North mentioning shredding documents that day.

A He certainly didn't.

Q But that he did mention, at least according to the Attorney General's recollection, as told to you, that he intended or wanted to do whatever he could to help the President as best as possible.

A He had a brief conversation at the tail end of our interview with the Attorney General, in which I was not present, the theme of which is, as I recall from the AG acquainting me with the theme of it afterwards, that he expressed a desire to help the President. I also would hasten to add that the Attorney General's response was the way to help the President was to be entirely candid and forthcoming and to avoid anything that might be characterizable as a concealment.

Q Now, at that point, having met him and talked to him and having both jointly had reservations and concerns by what he said, and knowing that you were going to be seeing Shultz the next morning and that he would have notes to verify his position, did you and the Attorney General discuss the need to see McFarlane again at a later time?

A We may have discussed that, but I don't recall it having been discussed.

Q Did you discuss what other means or methods that you could employ besides seeing the notes that Shultz had to try to determine independently the truth or falsity of what McFarlane had said?

A Well, aside from our intent to examine all the documents that pertained to the Iranian Initiative, which we just didn't have any idea what that might yield, as well as our intent to that evening, if at all possible, review the materials that had been collected by a certain intelligence agency. I can't identify any other specific things we may have discussed regarding that.

We did not then know that it was Charles Hill, that there was a second person. I don't think we realized that Charles Hill had a role in this, and could add additional personal testimony corroborating the Secretary of State's version of the event. That was--I think that came as news to us.

Q By the time you'd finished speaking to McFarlane at 5:45, according to your chronology, by the time you'd finished then, the NSC had already been informed that they were to have the documents on the Iranian Initiative available to be reviewed the next morning?

A That's my understanding.

Q And was it your understanding that they would have all documents at the NSC relating to the Iranian Initiative available, as opposed to just Oliver North's documents?

A It is my understanding that they were to have all NSC documents that relate to the Iranian Initiative in any way available for review.

Q Had anybody informed you that the place where those documents would be reviewed would be Oliver North's office?

A I don't recall having had any information to that effect. I certainly received information to that effect at lunch the next day.

Q Without getting too far ahead of myself there, did that surprise you, that that would be the office where those documents would be located?

A Not necessarily, no. In fact, I guess a matter of this kind, of the compartmentalization, which is certainly a word that everybody involved with it uses frequently to describe it, and the sensitivity and secret initiative nature of it, I guess I'm not that surprised that the documents would be housed in a--in the office or in the safe, something like that, in a very secure position in a single location by the person who was largely implementing the policy.

Q Did you--after--either before or after you met with McFarlane on Friday, Mr. Cooper, did you discuss with the Attorney General or any of the other members of the investigation team the possibility that perhaps the CIA, in general, and Mr. Casey in specific, might have known about all of this before January '86?

A I don't think so. At that point--certainly we realized that there would be some people over there who at least knew whether or not they received a telephone call from North saying, ''Can you advise us of an air carrier we can use.'' so yes, we knew that that element of all this involved the CIA and we were going to--

Q Talk to them.

A --talk to them, yes. And for that reason, Stanley Sporkin was on our list, but, you know, it was my impression that Mr. Casey was--my impression with respect to Mr. Casey was the same as my impression with respect to Mr. Poindexter, that he didn't have personal knowledge of any pre-January events, particularly the November one in which his agency was alleged to have had some small role. He was out of the country, it was my understanding, during the relevant period of time, the November 25th period of time, thereabouts.

Q Well, with regard to Mr. Poindexter, like you say, you reached the--you had the same feeling--

A Yes.

Q --and yet, with regard to Mr. Poindexter's office, you wanted to go over and review all their documents in that area.

A Right.

Q How about a similar type review of CIA documents relating to the use of that airline that did the transportation, those kinds of documents? Was there any request made as part of the investigation that the CIA should have ready to be reviewed at its offices all of those documents?

A Yes. There was no formal request, but I was in touch with Dave Doherty and his deputy, Mr. Jameson, and we discussed certain documents that they had and they had identified in this and the fact that they fully understood we'd like to take a look at them, and I--

Q Did they make them available?

A Well, in the end, yes, but not immediately, although I have to say they were entirely cooperative and forthcoming in sharing with us information as they developed it.

Q As of Friday evening, before you turn to Saturday's events, as of Friday evening, did you have any reason to think or suspect, for that matter, that there had been a finding submitted to the President by the CIA prior to January of 1986 relating to the Hawk shipment?

A In what period, time frame are you referencing?

Q Friday evening, after you've met with McFarlane, prior to Saturday's events, okay--

A Yes.

Q --at that point, having spoken with CIA officials for the last day or two intermittently, having spoken with NSC staff officials, did you have any knowledge that there had been a finding submitted to the President by the CIA for signing prior to January 1986--

A No.

Q --relating to the Hawk shipment.

A No. I think by that time, I had learned that there was a finding dated January 6th or 7th or thereabouts that was virtually identical to the January 17th finding, but I did not know of the finding. I do not think, that you, I suspect, are referencing, a document which the CIA referred to as a mini-finding when I visited them on Saturday evening.

Q Did they show you that?

A Yes. Now, it's possible that I--that in my conversations with them, that I had learned of it prior to--or in that time frame, but I don't think I did.

Q Okay.

Did Director Casey mention to General Meese, as far as you know, when they spoke on Saturday evening, about that finding that was submitted for signing?

A No, I don't know if that was a subject matter of their conversation.

Q Now, on Saturday, you testified at length about the events that morning, the meeting with Shultz, the luncheon that followed later on at midday, with regard to uncovering of the diversion memorandum, was it the Attorney

General's reaction upon learning that to now suspect anyone else besides North as to their conduct?

Can you recall?

A To suspect North, anyone other than North?

Q To suspect anyone in addition to North with regard to that diversion memo?

MR. BOLTON: You mean as the author of it?

MR. LEON: As to not only the author, but as to--

THE WITNESS: Knowledge of--

MR. LEON: Knowledge of its contents.

THE WITNESS: I do not recall any particular discussion on that as to who he might or might not suspect. I think the potential was left to my mind; I suspect it did to his as well. it's just not clear how far this idea might have gone if anywhere.

BY MR. LEON:

Q Was it the uncovering of that document that led to the--led the Attorney General to want to see McFarlane again on Monday morning?

A That's my understanding, yes.

Q And with regard to Poindexter, of course, he hadn't been seen at that point, but you intended to see him anyway.

A Exactly.

Q Right. And you don't know today--you're not certain whether he was seen, Poindexter was seen before the President or after the President.

A I don't know the answer to that.

Q The chronology indicates afterwards.

A Right.

Q You're not certain.

[illegible] When you learned about the diversion memo, was there discussion about the possibility that there might be a finding somewhere that accompanied that?

A That accompanied the diversion?

Q Uh-huh.

A No.

Q In other words, upon seeing it, did you consider the possibility that it was--reflected something that actually had happened and that a finding had been put together to support CIA involvement in accomplishing it?

A No.

[Telephone call.]

MR. LEON: I think we should go off the record.

[Discussion off the record.]

RPTS DOTSON

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[2:15 p.m.]

BY MR. LEON:

Q Let's go back on. Before we broke for the phone call, Mr. Cooper, my question was words to the following effect: Upon learning about the diversion memorandum, did you consider the possibility and discuss the possibility with the members of your team that it might reflect something that actually happened and that as a consequence there might be a finding that was prepared to legally support the actions that were described?

A We did discuss certainly the proposition that the contra diversion that is proposed in the memo might actually have, subsequent to the memo, eventuated. That was obviously our concern. The memo does not say it was something that was done. It says it was in the nature of a proposition, a proposal. But we didn't discuss the possibility that a finding might exist to somehow support that activity. That didn't occur to me at any point prior to the question.

Q Of course, if the CIA had acted in order to accomplish that proposed diversion, there would have been need for a finding, wouldn't there, to a cover-up?

UNCLASSIFIED

A If one assumes--I am not at all sure. If one assumes that that was part and parcel of the operation that was authorized under the existing funding, then, no, additional funding wouldn't be necessary. But it also assumes that that is something that on the--that diversion of moneys generated to the contras would be U.S. funds, I guess, and if they were U.S. funds, then a finding could support the legality of it. Neither of those propositions, though, do I have a judgment on.

Q Did you and the Attorney General inform Mr. Reynolds and Richardson at that luncheon what George Shultz had told you earlier that morning?

A Mr. Leon, I am sorry, because, to tell you the truth, I was contemplating my last answer when I said I don't have a judgment on those things. I actually do have a judgment with respect to the question whether these are U.S. funds. I won't say I have a final concluded judgment on that, but I have some inclinations on the study and research.

Q Do you want to share it for the record?

A Only if you ask me. I am happy to do that. But I just did not want to leave anything that might in any way be inaccurate on the record.

With respect to whether a finding, assuming those were U.S. moneys, if we assume that for the moment, whether a finding would have supported the legality of the activity, that is something I don't have a judgment on.

Q I think the next question I had was whether or not you and the Attorney General briefed Mr. Reynolds and Richardson at the luncheon about what Secretary Shultz had told you earlier that morning.

A Yes.

Q You did?

A I am sure that we had some discussion along those lines, yes. I have a general recollection of that. I don't have a specific one.

Q Did either you or the Attorney General ask Secretary Shultz if he had informed the President about the information McFarlane had told him about the Hawk shipment back in November, 1985?

A No.

Q No, you didn't ask him?

A I don't recall us having asked him that.

Q Did either Reynolds or Richardson ask you at lunch whether or not Secretary Shultz had informed the President of what McFarlane had told him about the Hawk shipment?

A I don't recall whether they did or not.

Q Was there any reason why he wasn't asked that question?

A Asked what question?

Q Whether or not he, Secretary Shultz, had informed the President of what McFarlane had told him about the Hawk shipment.

A No. First the question is premised on the notion that we didn't ask the question, and we may well have asked it, but I don't remember. But I frankly doubt we asked the question. Mr. Shultz made clear to us during his description of that episode that it was his impression he was being informed and advised of the event that was in the offing but not consulted for approval of that event.

So he further indicated that essentially he went on about his business after he had reiterated McFarlane was--his strong objections to the whole concept, and he went about his business of ''summitry'', whatever he was doing.

In the next few days, when he noticed that no hostages were released amongst great hoopla and fanfare, he figured it simply had not been pursued. So all of that suggests to me that we didn't ask the question, because the answer was implicit in what he did tell us.

Q Upon learning from Secretary Shultz at that interview that he, Secretary Shultz, was not in favor of the shipment and didn't care for the idea--

A He didn't learn it there for the first time. That was something the Attorney General knew of his own independent knowledge. He was present during the meeting with the President, and so Secretary Shultz's opposition to it was not a matter on which there was any doubt.

Q Was he asked at the interview why he hadn't expressed his concern and displeasure immediately or shortly thereafter?

A To whom?

Q To either the President or members of the Cabinet.

A About what?

Q About the Hawk shipment.

A No. I don't think that question was asked. But, again--

Q Do you think that bothered the Attorney General?

A What?

Q The notion the Secretary of State would be against a matter of that great a sensitivity and yet wouldn't bring his attention--of being upset about it to the President immediately?

A No, my understanding is that during that period of time when the proposal was being discussed and the President was in his decision making on the question, the Secretary made known his opposition to it and outlined his reasons for opposing it.

Q I think we are miscommunicating.

A Okay.

Q Let me put into focus what I am trying to get at.

The Secretary of State is informed by the National Security Advisor to the President that a Hawk shipment is about to take place that he has knowledge of between Israel and Iran, correct?

A Right.

Q Okay. And according to the Secretary of State, he expressed his displeasure with that to McFarlane on the scene.

A Yes.

Q And at that time they were in, I don't know if it was Vienna or Geneva--

MR. BOYD: Geneva.

BY MR. LEON:

Q The President was with him, was he not?

A I suspect the President was there.

Q This was Shultz's first knowledge of this event according to Shultz; this is the first time he learned about this, when McFarlane told him.

A Yes.

Q And he was upset about it. So it would seem to me a logical question of George Shultz would be: ''Well, if you are so upset about it and you hadn't been consulted about it, why don't you just turn to the President of the United States at some point right there and say, you know, 'What is going on? I don't care for this, and how come I wasn't consulted'?'' It just seems to me that is a logical kind of thing to confront the Secretary of State on if he is upset about being cut out of a decision-making process and doesn't care for the decision being made, then I think it is a logical question for the Attorney General to ask him, ''How come you didn't express your concern about it to the President of the United States?'' I don't know if that is a question.

. A It certainly enhances our understanding, because you are right. I did not understand your train of analysis earlier.

. Q So what I am asking is: In light of all that, did the Attorney General, when he met with Secretary Shultz that Saturday morning and Shultz brings up the fact that he is learning all this and is unhappy about it, did he say, ''Why didn't you voice your concern right on the spot and say something about it?''

. A I do not recall the Attorney General having asked that question, no. He did not confront the Secretary of State with that probability.

. Q Now, knowing he did not do that, Mr. Cooper, did he, the Attorney General, share with you his evaluation of the Secretary of State's failure to do that?

. A No.

. Q He did not. Okay. When you were with the Attorney

General at the luncheon, the diversion memo came up, and then afterwards in the car going back, on both occasions you have testified he expressed his concern about them, he was very concerned about them.

And I think you have testified it was a joint concern, it was something that was politically significant, as well as legally significant. Is that fair?

A Could you repeat that? I apologize.

Q I am trying to summarize a little bit before I get to my question and put it in context. I think what you have testified to is that the Attorney General, both at the luncheon and in the car afterwards when you were with him, expressed his concern about this diversion memorandum and that, as I understood your testimony, he was concerned not only because of its political sensitivity but because of its potential legal sensitivity there might have been illegalities involved. Is that right?

A That potentiality, yes, was a concern, but I was not at that point acutely sensitive to the legalities involved. I just had this vague--I recognized that additional legal questions would undoubtedly be raised by this, but I did not have an acute sensitivity to the depth or seriousness of them.

Q But there is no question in your mind the Attorney General saw the grave potential political significance to this and to its being leaked to the public.

A I know I did, and I had every appreciation of the Attorney General, in all likelihood, much more acutely than me. I recognize that facet of this.

Q That being the case, was there any discussion with you and the other members of the team at that point about the possibility of going to the President right then on the spot?

A No.

Q It wasn't even considered?

A It wasn't considered by me, and I can recall no discussion that I participated in with anybody else. If it went through anyone else's mind, I don't recall it having been expressed.

Q Has the Attorney General at any time shared with you the reason why he chose not to go to the President about it until Monday?

A No. But I have never, I have never entertained any idea about that, so I have never asked him. To me, it's been self evident why he didn't do that.

Q Why is that?

A Because the memo that we discovered was not something we could conclude, simply based upon the memo, reflects facts that actually took place. And it wasn't until North was examined on that fact that we could conclude, or we discovered additional documents establishing this took place, that we could conclude that it did and, therefore, share that fact with the President.

But obviously at such time as we did conclude in our own minds that this represents a fact, not a speculation or a proposal that never got implemented, he did share it with the President straight away.

Q So the judgment was basically get more information and assess the information before going to the President with it.

A Yes. You don't bring to the President things that, you know, anything lightly.

Q I want to make that point for the record because there are a lot of people that don't understand why decisions like that are made, and I think it is important people see that you have to do certain things before you elevate an issue to the level of the President, and you just don't go to the President. I just want to make sure the record reflects there was some thought given to that process.

A Well, I can't say that thought was given to the proposition we go to the President before we established confidence in the accuracy of the existence of the fact. I don't think anyone even remotely considered that we would just go to the President and--no more than we did then. I know it didn't occur to me.

What would the President have done? He would have said, ''Well, go see if this is true.'' We would have said, ''That is exactly what we plan to do.''

Q I just want to make sure it is clear.

A It is in my mind.

Q You might be asked about that, and I think that is a question you should give some thought to.

Did the Attorney General tell you that any request had been made by Thompson or North for a 48-hour period to get their files ready before being reviewed by Reynolds and Richardson?

A No.

Q That a request had been made for additional time to get their files in order before having them reviewed?

A I don't recall that, no. Are you saying that Colonel North made a request upon the Attorney General for time to gather files or something?

Q What I am trying to determine is whether you have any knowledge of a request being made, either by Colonel North or by Colonel North through Mr. Thompson, for a minimum of a 48-hour period to get together the files on the Iran Initiative before they would be reviewed.

A I can recall no such request having been made.

Q The Attorney General obviously met with Mr. Casey alone--that is your understanding, isn't it?--on Saturday evening?

A Yes.

Q It was at some point the next day he recounted to you what had happened, is that right?

A No, I cannot say that with confidence.

Q Well, sometime thereafter.

A It was definitely sometime thereafter.

Q Would you say it was before he went to the President on Monday morning, the Attorney General?

A I doubt it.

Q So it--would you say it was before the press conference?

A You know--

Q I don't know if the chronology--

A Well, the chronology might help, surprisingly enough, because I do not recall having a conversation with the AG about his discussions with Casey and the so-called Furmark matter prior to the time that we discussed this with North. I do not recall that as having happened, and I think I would recall it if it happened in that time sequence.

And I know it didn't happen Monday morning because I was over at--at least I feel pretty confident it wasn't Monday morning, because there wasn't much opportunity for it to happen. I was with Abe Sofaer and Charles Hill at the opening of business.

Q Did the AG ask North on Sunday about the Furmark incident?

A I do not recall him having mentioned Furmark at all.

Q But he had talked to Casey about it the night before?

A That is what I understand, yes.

Q Do you know whether or not the Attorney General and Casey, Mr. Casey, discussed the diversion memo that Saturday?

A It is my understanding they did not.

Q That the Attorney General refrained from doing so for the purposes of the investigation, so to speak?

A He refrained from doing so for, as I understand it, yes, for the purposes of the investigation.

Q After meeting with North on late Sunday and prior to meeting with the President the next morning at 11:00 o'clock, I believe it was, you have testified that the Attorney General asked McFarlane about the diversion memo, is that right?

A Yes. That is my understanding. I wasn't present at the meeting.

Q If your chronology is accurate, if it is accurate, it would appear that after meeting with Mr. McFarlane, the next person the Attorney General met with was the President himself and Donald Regan, if your chronology is correct.

. A Yes, that is right.

. Q Now, if that is true, do you know if there is any reason why the Attorney General didn't first meet with Poindexter to confront him about the diversion memo before going to the President and Donald Regan to tell them about the diversion memo?

. A I don't know, but, you know, he may well have been governed by matters that he could not control. You just don't pop in on the President any time you want to. That may well have governed when he met with the President, and that may have governed all other scheduling.

. Q But surely, Mr. Cooper, if he wanted to see Mr. Poindexter earlier on Monday he could have, or for that matter Sunday night. The Attorney General could have called Mr. Poindexter up and said, ''I want to see you right away.''

. A I am sure he could have gotten a hold of Poindexter.

. Q And Donald Regan, for that matter, if he wanted to.

. A Right.

. Q And the Vice-President perhaps.

. A I am less confident of that.

. Q He spoke with McFarlane alone, is that right?

. A Yes. At least I know I wasn't there, and it is my understanding nobody else was.

. Q Do you know where it took place, that meeting?

. A In the Attorney General's office.

. Q You don't know if anyone else was present?

. A It is my understanding nobody else was present.

. Q Do you know why he chose to meet with him alone having already met with him once before when you were present?

. A I do not. I do not know why he chose to meet with him alone. He couldn't meet with him with me, because I was not there, to the extent he wanted me to be a part of that meeting, and I just don't know the state of his mind on that.

. Q Were you available?

. A No, I was not. I was doing something that we considered equally important.

. Q You were at the State Department?

. A Yes.

. Q Do you know if Mr. Reynolds or Mr. Richardson was available?

. A I don't have any idea. However, neither of them had met with Mr. McFarlane on the previous occasion.

. Q You testified that the AG spoke with Secretary Weinberger at some point and that the Secretary informed the Attorney General that he had no specific knowledge of the

Hawk shipment. Is that correct?

. A I don't recall having testified to that effect.

. Q Maybe my notes are incorrect. Why don't you tell us what the Attorney General told you Secretary Weinberger told him.

. A I don't recall the Attorney General having told me about the contents of his conversation with Weinberger. He did not affix on Weinberger as someone who would really be a particularly useful fact witness for this November or the pre-January stuff. He did call Weinberger. My understanding is that either Weinberger or Weinberger's wife was sick, and he just didn't linger in his conversation with him.

. But I don't know what it is they covered. I think he came, he concluded that Weinberger just really didn't have much to add that was beyond that which we already had discerned.

. Q Do you know if he asked Weinberger about the diversion memo?

. A I don't know. I don't know whether he did or not.

. Q Now Mr. McFarlane, as I recall your testimony, told the Attorney General that he was aware of the diversion.

. A That was my understanding.

. Q Colonel North told him--

. [Recess.]

MR. LEON: I guess we can go back on the record. Can you read back the last question.

[The reporter read back the pending question.]

BY MR. LEON:

Q Just recapping, Mr. Cooper, your testimony at one point, as a preface here, is the Attorney General informed you that Mr. McFarlane informed him that he, McFarlane, was aware of the diversion, is that correct?

A Yes.

Q And that it was Mr. North who told McFarlane about the diversion, is that right?

A That is my understanding.

Q Did the Attorney General inform you as to whether or not he asked McFarlane whether McFarlane told the President about it?

A I don't recall. I just don't recall. I know that was upper most in the Attorney General's mind at the moment, so it is entirely possible that he did. I am equally confident if he did, he told me that McFarlane had not told the President, but I just don't recall that element of the conversation.

Q Let's compare it to the conversation with Colonel North the afternoon before that you were present at. Okay? During that conversation Sunday afternoon, Colonel North acknowledged that the diversion memorandum was his authorship, did he not?

A He did.

Q And that he had submitted it to Admiral Poindexter, is that correct?

A It is.

Q Did he inform you that he had told McFarlane about it?

A No.

Q Did he inform you as t whether he had told anyone else about it?

A No. Actually, he did say he thought McFarlane knew about it and Poindexter, and he knew about it, but those were the only three people he thought knew about it.

Q Of course, you subsequently learned, did you not, from Mr. Green that General Secord knew about it?

A Oh, no, I learned from North that Secord knew about it.

Q And that Hakim knew about it?

A I learned that from Green.

Q That was a few days later?

A Monday, I guess.

Q There was a possibility Mr. Calero knew about it.

[Recess.]

[The pending question was read by the reporter.]

THE WITNESS: Yes. Certainly North's statements to us suggested he knew about it. He was alleged to be the recipient of large sums of money.

BY MR. LEON:

Q Comparing the Attorney General's meeting with McFarlane, to the extent you know about it, and the meeting with North the afternoon before which you were present for, upon acknowledging that he was the author of the diversion memo, acknowledging that he had sent it to Poindexter, what was the Attorney General's reaction to learning that?

A No particular reaction. He just continued with the interview. I mean, he did not--

Q He didn't get upset?

A No, he didn't.

Q Did he voice any concern to Colonel North about the political explosiveness of a scheme of that nature?

A No.

Q Did he ask them in any kind of stunned form, ''How could you have engaged in something that could be so potentially dangerous to the contra program or to the President?''

A I don't recall him having reacted in the way you described, no.

Q How about with McFarlane, to the extent he has recounted to you how that meeting went, did he give you any indication that he expressed to McFarlane any sense of incredulousness that McFarlane hadn't blown the whistle on it and informed the troops about it earlier?

A No. I don't recall him describing any such exchange.

Q I hope you understand why I ask those questions, because it seems that this is information that is so risk-fraught to the President and to the contra program by its very nature that to have engaged in it, North and Poindexter--for McFarlane to have known about it was to have created the existence of a risk that could be very damaging to the administration and to the contra program which was so important to the President.

A I think those are accurate points, but the Attorney General did not, in my presence anyway, confront Mr. North with these obvious realities or up~~grade~~braid him in any manner.

Q Did he share those insights with you and the members of the team?

A I am sure we discussed the implications, the potential implications for this, yes. We were fully aware and cognizant that this was a major news item, let's say, and that it was going to be extraordinarily controversial and said in train precisely what it has said in train.

Q Let me put it in context so you can think about it. I think you told us a little while ago the Attorney General got visibly upset when he learned that Deputy Burns hadn't made arrangements to seal off the office or, under his demand, that the office of North be sealed off. Do you recall that?

A Yes. But visibly upset is--

Q How would you put it?

A A flash of irritation. A flash of irritation.

Q But he was upset, is that correct?

A I think that is a fair description, though it did not involve the Attorney General criticizing or dressing down Mr. Burns or anything of that nature. It involved a visible flash of irritation and reiteration, a stern reiteration, that he had requested that he make that directive earlier. At least that's the best of my recollection of that little episode.

The Attorney General is not an excitable man. He is a calm man.

Q That is good to know. Was he at least as irritated or more irritated about what he perceived to be the level of the President's news conference on the 19th?

A I think he was irritated in the sense of being very disappointed about it and feeling depressed about it for the President's sake.

Q In light of those two instances of examples proximate to the time of meeting North on Sunday, of his being able to get irritated or upset, how can you account for not getting upset with North that he would do something as ~~hair~~ hare-brained as that?

A I don't understand why you are so insistent he be upset.

Q I am not insistent.

A The fact is he asked, he was conducting a very business-like interview and--

Q I want to get a flavor for it.

A The Attorney General did not react in the way that you described. He maintained a calm demeanor throughout the interview, which is, with rare exceptions, the only demeanor with which I am acquainted.

MR. BOYD: Off the record.

[Discussion off the record.]

RPTS DOTSON

DCMN QUINTERO

BY MR. LEON:

Q I am just trying to get some assessment of the nature of the quality of the Attorney General's reaction to learning about having confirmed that his present actions, which I think is safe to characterize, in my own characterization, as being explosive politically, and extremely damaging to, not only the President and his Administration, but the contra program, which is so dear, obviously, to the Administration; I just want to get some sense of how one of the President's very closest advisers reacted to learning about something that was this risk-fraught, that was just done at the self-initiative of an NSC staffer?

A All I can say is every act that the Attorney General took was consistent, fully consistent with complete appreciation and acute sensitivity to the potentials that you describe, that he did not react in a way similar to that, from a way which you described, and North acknowledged the contra diversion events, he maintained a calm demeanor, as did all of us. We did not get excited and start jumping around.

BY MR. LEON: I am not suggesting you jumped around the room. Of course, we don't know, because no one was there to witness what his conversation was like with Mr. McFarlane Monday morning.

. A Right.

. Q So we can't account for whether or not he was more demonstrative than his being upset with Mr. McFarlane?

. A We cannot. We will have to ~~relay~~ rely upon his memory.

. Q Absolutely. As well we should.

Did the Attorney General report to you the President's reaction, besides just that he was shocked to learn about the diversion memo, and the fact that it was known by his National Security Advisers as well as his former National Security Adviser? Was shock all he described it as?

. A He really didn't go into a description of the demeanor of the participants of the meeting. I don't think he felt obligated to provide me with a lengthy account of the flavor of the meeting, which I certainly would be interested in those things.

But he just indicated that the President didn't know and the President reacted--

. Q Was the President upset, from what you understand?

. A I am not saying that he wasn't. Because I don't know.

. Q From the account you heard?

. A Well, the account I heard is not one that included descriptions of whether the President was upset or whether he was--that I can recall. Just that he was taken by surprise, and that he had not--and this was complete news to him, as it was to Mr. Regan.

Q Let me put it to you in another way. Did the Attorney General give you any indication the President's reaction was one of indignation that his subordinates would unilaterally act in such a way as to put him at risk, and his Administration at risk, in the political sense, not to mention the contra program at risk?

A I do not recall the Attorney General characterizing the President's reaction in any way, and particularly not in that way.

Q How about Donald Regan, did you get insight what Donald Regan's reaction might have been along those lines?

A No. I just don't recall the Attorney General describing or characterizing reactions in that way. I think, however, I can recall some reference to Regan's response, response being identical to the response that I recall the AG making.

Q Those words, that phrase he used?

A I have a vague reaction that that was also Regan's response precisely.

Q Did you get any sense--

A On these points, however, only the participants to the meeting can provide any authoritative insights.

Q Absolutely.

Did you get any sense that from talking to the AG about Donald Regan's reaction that Regan felt particularly upset. by virtue of the fact that it was his responsibility as chief of staff to be aware of those kinds of things happening in the White House?

A No. I didn't get a sense on that point from the Attorney General. that I can recall.

Q Do you know why the Attorney General met with both President Reagan and Regan simultaneously. as opposed to meeting with Regan first to find out if he had learned about it from either McFarlane or Poindexter. before meeting with the President to report his findings?

A No. I don't know. I never have. to my recollection. discussed that question--

Q That was a decision he made ~~along~~ alone?

A Who.

Q The Attorney General.

A I am not sure he made any particular decision as to whether he wanted to meet with Regan outside the President. I just don't recall anything along those lines. He may have. but it is not one that I think I participated in.

Q Did the Attorney General tell you Sunday evening that he would be meeting with McFarlane the next morning?

A I think I knew that. yes.

Q Did he tell you why he intended to see McFarlane before seeing the President?

A Well, I am quite confident that it was to question him regarding the contra diversion.

Q To find out if he knew about it?

A Yes.

Q And to find out who he had told about it?

A Yes.

Q And to corroborate North's statement that he told McFarlane?

A North had made that statement so, therefore, McFarlane was obviously among the two people that had to be questioned on that score.

Q Did the Attorney General tell you whether or not he had asked McFarlane why it was that McFarlane, on a Friday night, Friday afternoon, I should say, had not informed you and the Attorney General about the diversion there?

A Yes.

Q Did he ask McFarlane that?

A I don't know.

Q So he might have asked McFarlane that?

A It is entirely possible. I just don't recall having received any information from the Attorney General on that point.

Q Do you know if the Attorney General met with

Poindexter alone, or was Thompson present?

A I think he met with Poindexter alone. I know he met with Poindexter, and I have no knowledge that he met with Thompson, either with Poindexter or by himself.

Q Did you speak with Paul Thompson at any point during the weekend of the 21st, that weekend?

A I do not think I did.

Q So between Friday, the 21st, and Monday, the 24th, after Friday, when would you have next spoken with Thompson, do you think?

A Well--

Q Let me take a look at your chronology. It might help us.

A I don't think you will find any references to Thompson in the chronology.

Q It doesn't look like you met with him on Monday.

A With whom?

Q Thompson.

A That I did?

Q It doesn't look like you did.

A I have no recollection that I did. And, in fact, my recollection is that I did not meet with Thompson on Monday.

Is there information to suggest I met with Thompson Monday?

Q No. I am trying to determine whether or not

Commander Thompson informed you, or anybody informed you on his behalf, that on Saturday afternoon, after Brad Reynolds and Richardson had been with you that Monday, that Colonel North proceeded, with a bunch of documents under his hand, over to the White House Situation Room, Thompson walked with him back to the White House?

A This event, if it took place, is news to me as of 3:09, June 23, 1987.

Q Yet you have talked to him on a number of occasions since then, have you not?

A On a number of occasions would tend, I think, to suggest an exaggerated view of it. I have talked to him several times.

It would be hard for me to pinpoint the next time I talked to him after the weekend review, although I think it was in a meeting with a group of people Wallison had gathered in his office to follow and keep up with this Iran matter in a coordinated fashion.

Q When would that have been approximately?

A It is hard for me to tell you, to tell you the truth. Probably within a week after the Tuesday of revelations, the Tuesday press conference, around a week after that.

It may have been as much as two. In any event, I remember Paul, essentially, apologized to people in that room and assuring the people in that room that he had been, essentially, not brought into the intrigue, so to speak, of the North-Poindexter matter, and it was a--

Q Poindexter, on Friday afternoon, knew you were going to be reviewing documents that weekend; did he not?

A That is my understanding.

Q Thompson certainly did; did he not?

A That is also my understanding.

Q Did either one of them indicate to you that there was a PROF system on which there were PROF note communications during relevant time periods between North, Poindexter and North, and McFarlane?

A No. Because I don't think--I am sure I didn't talk to Poindexter on Saturday or Friday, and I do not recall having talked to Paul Thompson, though that isn't impossible.

But I didn't--you know, since that time I have been made aware in the newspapers, they have this very sophisticated, apparently, computer system that keeps everything in place.

Q It wasn't until yesterday, as I recall your testimony, that you had ever seen what a PROF message looked like.

A That is accurate.

Q That is one of the exhibits we showed you yesterday?

A Yes. I do not recall ever having seen a document like that before.

What does ''PROF'' mean, by the way?

Q It is a term used to describe a computer system. It is an acronym, and I can't tell you what the individual letters mean, but it is an internal computer message system at the White House.

Why I bring that up is because you were not aware then, I assume, that there were PROF messages on Monday, the 24th, between North and Poindexter, indicating their intentions to resign from the NSC?

A No, I certainly was not.

Q Simply, you would not have been aware then that discussions were underway as early as Monday, the 21st, between North and Poindexter, about North's being reassigned to the Military War College by the Commandant of the Marine Corps.

A I never heard of that either.

Q On Tuesday morning, the 25th, you went over to the White House, according to testimony, your chronology, to assist in preparation of the President's statement. Is that right?

A That is correct.

Q And before doing that you met earlier in the morning with the Attorney General, himself; didn't you?

A Very briefly, yes.

Q Now, at that meeting, did the Attorney General indicate to you whether or not a decision had been made at that point as to whether or not John Poindexter would be resigning?

A That morning?

Q Yes?

A Yes.

Q Did he indicate to you that it was planned that Poindexter would be resigning?

A My recollection is that that was the course of events that was set en train.

Q With regard to Colonel North, was it your understanding that morning, Tuesday morning, he would be resigning or he would be fired?

A There was confusion about that all the way up until the time of the President's public statement.

Q That is something I want to see, if you can shed some light on.

A I will try, but I doubt it.

Q Let's start at the earliest point that day, the meeting with the Attorney General. Was it your impression from talking with the Attorney General, Tuesday morning, at 7:00, something that it was the Attorney General's understanding that North would be fired or North would be resigning?

A I don't recall specifically that there was conversation about that.

Q Do you know if he was advocating one of the two positions, or advising, I should say?

A This is vague--my recollection on this is not one I am confident on, I suggest to you. But it seems to me that the Attorney General supported resignation, permitting North to resign, as opposed to firing him, but I don't recall the specifics.

Q When you arrived at the scene at the White House to work on the President's statement, at that point, when the President's statement was being prepared, had a decision been made between firing North, or North resigning?

A I just don't recall, Mr. Leon. I just don't recall. I know that a decision--at a minimum, North resigning was contemplated. His no longer being at the NSC was fully contemplated.

Q When you met with Donald Regan and Peter Wallison that morning, according to your chronology, and Dennis Thomas, I believe it is, who worked for Donald Regan--did Donald Regan, on the occasion of that meeting, express a position as to whether North should be fired or whether North should be allowed to resign?

A Did Regan?

. Q Donald Regan?

. A I just don't recall whether he did or not.

. Q How about Wallison?

. A I certainly don't recall Peter taking a position on that. To tell you the truth, I don't recall that having been a subject matter of conversation.

. Q Did the President's statement include when it, the statement to the fact North was fired?

. A I don't remember. It is a matter of public record. We can find out.

. Q It was either in that statement or it was in the Attorney General's meeting with the President at 11:30 that that came out. I can't off the top of my head tell you it was, but I think it was the President's

√ . A It seems to me it was~~n~~, as well.

. Q Before the President made his statement at 9:30, it was reviewed by Buchanan, Speakes, yourself, Wallison. Do you remember any discussions back and forth during that meeting as to the political dimensions to the decision between firing North and allowing him to resign?

. A I do not.

. Q So you have no insight as to who made the decision and when it was made?

. A That is true. I am sure I have at least the insight that it was made sometime to Tuesday morning.

. Q It certainly was the President's decision in the final analysis, that is for sure.

. A I don't think anybody overcame his will on the question, no.

. Q But you don't have any recollection who was advocating--first of all, whether there was a dispute as to which position was being advised the President take, and what those positions were.

. A I do not.

. Q Now, the Tom Green notes--let me give you this Exhibit 34.

According to your chronology, the meeting between yourself, Mr. Green, and Mr. Reynolds took place on the 24th from 2:00 to 3:45.

. A 3:15.

. Q 3:15? Did I misread it?

. A That is my chronology statement.

. Q That is what I want to go with. 3:15. I misread it. Sorry. So an hour and 15 minutes.

You were there the whole time; is that right?

. A Yes.

. Q I believe it is your testimony, correct me if I am wrong, that Mr. Green did not definitely characterize himself as being there representing North and Secord?

. A Right.

In fact--my recollection is that he made clear that that was not the capacity in which he was meeting with us.

Q Did he inform you that he had met with North before North met with the Attorney General and yourself Sunday afternoon?

A Did he make clear?

Q Yes.

A It was obvious that he had. He knew what North had said to us.

Q Before.

A I am sorry.

Q Not after.

A I am sorry.

Q Before.

A Oh, before?

No. No, that is not something I can recall him having made known to us, or me having formed an opinion on.

Q Did he inform you that he had met with North Friday afternoon before Saturday morning's events and after North had been informed of the upcoming review of his files?

A No. If I followed your question, and I apologize.

Q Let me see if I can put it more simply. Mr. Green, according to North's calendar and other people's testimony, met with Oliver North on Friday evening, early Friday evening, the 21st. Did he inform you that he had met with

North.

A He did not, to my recollection.

Q That was at a point after North knew those documents were about to be reviewed and before they were reviewed?

A It appears that he did know that, yes.

Q And that he met with North again Sunday morning, he didn't tell you he had met with North Sunday morning?

A That is correct.

Q He obviously met with North after North met with you and the Attorney General, because he told you ~~so~~ as much by telling you that North had informed him what he told the Attorney General?

A That is correct as well. And that is the only meeting that I had knowledge of, or can recall having been made aware of, only because it was obvious, as you point out.

MR. LEON: Off the record.

[Discussion off the record.]

THE WITNESS: Now that we are back on the record, it is, now that we discuss it further and I focus on it again for the first time, perhaps, ever since the Green meeting, it does come to mind that Green professed a thorough under-going understanding of the Iran initiative and the contra diversion, borne of information received by him from North, Secord and Hakim.

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BY MR. LEON:

Q Contemporaneous with the events?

A No, no, that is not an assumption I came to--or we come to now. But in light of his statement, it could well, though that reality, if it is true, would bespeak a background by Green, which exceeded that which one could have obtained from Saturday night after North left our office till--excuse me, Sunday after North left the office until Monday when we met with Green. See my point?

In other words, if the only amount of time that Green had been meeting with them was Sunday evening from the time North left our offices until Monday the next day, when he met with us, it would have been very hard for him to have developed the kind of background and full-breadth understanding of the fact, purpose, and what have you, as he professed to have in that period of time.

So it did bespeak I guess, a participation in the discussions that would have predated Sunday evening or Monday morning.

Q Here is what I am trying to clarify--

A But he did not identify, to my recollection, any specific time when he sat down and he discussed this matter with the three of them even to--either collectively, or individually, to my recollection.

Q What I am trying to get clear for the record here is the extent to which Mr. Green alerted you and Mr. Reynolds to his relationship with Colonel North, only as an attorney-client relationship, which is certainly important, but just a relationship in terms of prior knowledge of events, perhaps, outside the claim of privilege. I am trying to get that clear for the record.

It sounds to me like he did not come there representing himself as North's attorney at the time; is that right?

A That is correct.

Q That he indicated only generally that he had any prior knowledge of North and North's involvement in this matter; is that fair?

A No. He suggested that he had a thorough under-going understanding of the Iranian initiative, it as important for us to share in and the contra diversion.

Q But the source of his knowledge, as I understand your testimony before, and I may have misunderstood it, it was Hakim and Secord rather than North?

A Well, I am not sure that I did testify along those lines. If I did, I erred.

I think it was by virtue of Hakim, Secord, and North. I think he, in fact, represented himself to be, entirely accurately, as far as I know, the only person who had the perspective of what he believed were the three people most knowledgeable about the whole implementation of the initiative.

Q And did he indicate also that he had represented in the past, Secord and Hakim?

A I think so, yes.

Q Did he indicate that he was representing either one of them in litigation?

A No. He was quite--my recollection is that he was not, he made known to us that he was not there as a lawyer representing any particular client, and, in fact, he was cagy about whether or not he was a lawyer, was the lawyer for any of these particular gentlemen at that time.

Q I think you testified he did most of the talking?

A Green?

Q Yes.

A No question about it.

Q Was there perhaps some question in your own mind as to what extent you could reveal any of this material you knew about which was highly classified and highly confidential?

A Yes, there was.

Q So he did most of the talking?

A Yes, he did.

Q Which leads me to wonder--

A Besides we weren't there to engage in a dialogue with him so much as to receive whatever it was that he was there to provide us that would be helpful to the United States Government.

Q For an hour and 15 minutes you took only a page and three-quarters of notes. If he did most of the talking how come there is so little notes?

A These are the notes that I took that--

Q Were they the high points, so to speak?

A Well, I try to get high points on notes. I obviously don't take verbatim notes, that is clear from all of my notes, I am sure.

Q I just want the record to be clear on that, you weren't trying to be verbatim on this?

A No.

Q These were a sketch outline of the high points?

A Yes, to the extent I could get down the high points.

Q If there were any major things discussed, you believe they are included in those notes?

A I would have to review the notes right now to see if there is anything that my memory would call to mind that isn't in the notes, that might be characterized as major, but I am otherwise satisfied with your statement.

Q Let's just put it this way, so there will be no misunderstanding by any parties at a later date; when you took these notes you intended to make sure those notes included all major points discussed in the conversation?

. A That is true of all my notes, to the extent I could and there are, however, points that would be viewed as salient, particularly, I should think, in the hindsight of this matter, that may well not have made it into my notes.

For example, I don't know whether my notes reveal the fact that, as Mr. Green attributed to Hakim the idea of a contra diversion.

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DCMN DANIELS

Q Because in your notes you have A-k-i-m, Akim.

A I didn't know who it was he was talking about. I don't know if he was talking about a fellow named Akim or Hakim. This was the first time this name had come into my consciousness.

Q It was a phonetic spelling on your part, was it not?

A Yes, it was.

Q And since you have grown more knowledgeable about the events, you have come to realize the Akim in your notes was Mr. Hakim, H-a-k-i-m?

A That is right. But, as I say, I do not immediately see in the notes any statement that the contra diversion was Mr. Hakim's idea, but that is definitely what Green told us.

So I would regard that as a major element of this. I do remember very well the scenario that Green suggested in terms of this idea.

Q You met with Mr. Wallison on Thursday afternoon, at the time of the phone call from Mr. Sofaer regarding the conflict between Shultz and McFarlane and then the next time you met with him, according to your chronology, would have been Tuesday morning when you met with Donald Regan and him and Dennis Thomas prior to drafting the statement for the record; is that right?

A That is right.

Q Did Mr. Wallison at that meeting or after the meeting, before the meeting, share with you his reaction to the events that unfolded in the four days between the conflict arising on Thursday and your investigation and its products Tuesday?

A Not in any intimate or private way, but it is quite obvious everybody at the White House was, shared the reaction of surprise and concern about what the consequences would be of this.

Q Was there any reaction on his part to the effect, or implication on his part to the effect if the White House Counsel had known all about this earlier, none of it would have happened?

A Peter never suggested anything to me along those lines, no.

Q Have you ever heard that echoed by anyone, the White House Counsel felt if the White House Counsel had been brought in earlier on, this kind of thing would never have occurred, would have been rooted out a lot earlier?

A I never heard any statement to that effect, no, out of the White House Counsel's office or attributed to the White House Counsel's Office.

You mean statements that would say if they rather than the Justice Department had done the fact-finding or if they had been in on it back at the inception of the initiative in January of 1986, the whole thing--

Q Or for that matter, even earlier? Let's say for example if they had been appraised of the respective use of the CIA in the shipment of HAWKs--

A It would never have happened--

Q They might have seen the legal issues that would have been on the horizon or counseled against it?

A I feel certain that is an accurate statement. It is certainly an accurate statement if the Justice Department had been in there at the time. We would have hopefully noted the legal problems and counseled against it.

Q If the National Security Adviser to the President had sought the advice of the President's counsel with regard to Mr. North's proposal that a diversion take place before the diversion took place, that the White House Counsel's Office would have counseled Mr. Poindexter against allowing it to take place and it never would have occurred?

A I should think they would have.

Q I am sure you would think the Office of Legal Counsel would have so cautioned them and advised them not to allow that to happen.

A It is with utmost confidence I confirm that conclusion.

Q But you never heard any discussions along those lines?

A No, I didn't. I really didn't. I think there was a lot of ''if only kind of hand-wringing'' a lot of people were doing. But at that time, that point, we had what we had and there was not a darned thing anybody could do about it.

Q One question, I am sure you will be asked about it, I think you have probably been asked about it, I think it is something we need your answer on the record, why was the Attorney General, to the extent that you know, why did the Attorney General wait until Tuesday to order the sealing of the documents in Mr. North's office having learned about the diversion memo as early as Saturday?

What would be your answer as to the delay from Saturday to Tuesday before sealing off all those documents to ensure they weren't shredded as we have learned some of them were or altered as we have learned some of them were subsequent to the investigation beginning?

A The criminal investigation? There was shredding that took place even after the criminal investigation began.

Q I shouldn't say snredding. Well, first of all--

A The shredding took place on Friday, right, Friday afternoon?

The report on that that I have seen--

Q There could be some shredding after that. Let's leave that aside for a second. At least in theory there could have been some shredding after that.

I am not going to make any statement to that effect, but we do know from the testimony of Fawn Hall that documents were removed, there is no question about that, prior to the sealing of the office.

Indeed, just as it was about to happen, being sealed off, she testified she was gathering them up and taking them out on Tuesday.

Excuse me, on Wednesday. So--I guess the question is why the delay from mid-day Saturday to I guess it was ultimately, the decision was made on Tuesday afternoon by the gentleman tasked, Mr. Burns, but I guess it wasn't fully implemented until Wednesday.

Q That is essentially my understanding of the fact. The simple answer is not until Tuesday was a decision made to, I won't say launch, but to turn over this fact-finding, or turn this fact-finding into a criminal investigation.

Not until Tuesday had we developed our thinking and analysis such that we recognized the possibility of criminal liability under certain possible scenarios we could not then discount.

And as soon as the decision was made that this matter should be investigated for possible criminal

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liability, the obvious decision to do those things that one does when a criminal investigation is launched were done.

But prior to that time, we had not reached any conclusions that there was any criminal activity that might have taken place.

Q Was there anything, just to make sure we have got this clear for the record, was there any reason for you, let's start with you and then we will go to the Attorney General, was there any reason for you to think prior to Tuesday afternoon when the Attorney General made that decision, was there any reason for you to think there was any risks those documents that had been looked at by Mr. Reynolds or any other documents would be destroyed, altered, or shredded in the next few days?

A I had no evidence to alert me to that possibility.

Q Did you even have any possibility that would suggest that that was likely to happen or even remotely likely to happen?

A I had no evidence to suggest that that was likely to happen.

Now, by that time, I was not entirely, I mean obviously we had encounters with Mr. North and Mr. McFarlane that accentuated our concerns, I guess, or provided a foundation for the conclusion that they had not been entirely straightforward and forthcoming in the chronology

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and certainly not with respect to the existence of this contra business.

Q The diversion.

A Right, but at that point, I just can't, you know, we had no evidence to suggest that the act of shredding documents, which to me, I think I expressed yesterday, is truly extraordinary kind of course of conduct to embark upon.

Q In fact, it is a crime, is it not? Aren't you aware the destruction of official documents is a felony?

A I am certain that that is true. I am not acquainted particularly or closely with the statutes in this area. But I am vaguely enough to know this would be a matter of the gravest--and this is a matter of the gravest concern.

Q Would it be too strong to say it seemed to you inconceivable on Friday, I mean on Sunday or Monday even for that matter that critical documents might be about to be destroyed or altered permanently?

A I don't think that would be too strong.

Q How about the Attorney General? Did you have any reason to think that he had reason to think, based on what he knew, that that was likely, documents were likely to be shredded or destroyed permanently altered during that time frame up until Tuesday the 25th?

A No. I mean, the fact any one of us had a basis on which to conclude--

Q Suspect--

A --that was likely--

Q Or suspect it was likely.

A We would have taken steps immediately necessary to stop, to prevent it just as we took steps immediately to prevent inaccurate testimony from being provided to Congress.

Q So when the Attorney General made his decision on Tuesday, you viewed that as a means to protect the documents for the future rather than to stop something that was about to happen or in the process of happening?

A Right. Absolutely. There was no thought there was anything in the office or underway in the nature of destruction of documents and evidence of wrongdoing.

Q And did you view the Attorney General's decision as being a decision that would be typical and consistent with the institution of an investigation?

A Yes.

Q So not even really an unusual decision under the context of the decision that has been made that day?

A No, that is exactly right. I mean I have confessed to you earlier I am not, I have no criminal prosecutorial experience or investigatory experience, but it did not strike me as odd in the least that that would be the first matter disposed of on the launching of a criminal investigation.

Q The meeting that came up at is, I believe, that 2:30 meeting on Tuesday.

Is that right?

A I am sorry.

Q I believe the meeting at which the discussion of and decision to freeze the documents and seal off the room came up at the meeting at 2:30 on Tuesday the 25th; is that right?

A Yes, apparently it did.

Q That was a meeting attended by not only the Attorney General, but yourself, Steve Trott, Judge Webster, Director of the FBI, among others.

Who was it at the meeting that suggested this be done? Was it the Attorney General himself, Mr. Trott, or Mr. Webster?

A The only thing I recall is the Attorney General directing Arnie Burns to do it. I do very well recall the Attorney General clearly requesting Mr. Burns to be in touch with Peter Wallison to accomplish that.

Q Now, Ms. Naughton raised a question, Mr. Cooper, that--

A And, you know, now that I re-examine these notes, it is entirely possible when we reconvened with the AG at 5:45 to 7:00 on Tuesday that it was at that time that Mr. Burns indicated he had not yet formed the request.

I just suggest that as a possibility. I don't have a crisp recollection that that is the case.

Q Was he accompanied by any of his deputies at either the meeting at 2:30 or the meeting at 5:45?

A I do not recall it. I think the answer to that is no.

Q Ms. Naughton raised the question earlier, I don't think you got a chance to respond to it, maybe it wasn't a question, maybe it was just a suggestion and you may, for the record, want to respond to that.

She identified, I believe on the record, Mr. Cooper, Mary ~~Laughton~~ LawtON. You know Mary ~~Laughton~~ LawtON, don't you?

A I do.

Q I think she is regarded as an expert on national security matters. Would that be a fair statement?

A I think it would.

Q There seemed to be some question or suggestion that perhaps you, in conducting yourself in this investigation at some point should have called her in, Ms. ~~Laughton~~ Lawton, and sought her advice with regard to findings, not the fact there were findings and the need for findings.

Is there any particular reason why you did or didn't do that along the way?

A We did consult with Ms. ~~Loughton's~~ Lawton's office in preparation for a December 17 memorandum, memoranda on certain issues. I cannot immediately recall to mind for you what issues they may have been, but I do know that we discussed it.

Q Was there any specific reason why she hadn't been brought into the loop, so to speak, earlier on with regard to the investigation of the pre-January events?

A In our fact-finding?

Q Either at the fact-finding stage or afterwards as you were doing a legal analysis of it.

A Her office was consulted by mine in connection with the legal analysis.

Q How about as to the fact-finding stage? Was there a need for her to be involved in that particular task?

A Fact-finding?

Q Yes.

A I don't--

Q When you and Mr. McGinnis were putting the chronologies and all that information together?

A I do remember discussing with Mary the so-called Bill Smith opinion. In fact, her office tracked it down for us.

Q Did you go over it with her?

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A In a general sense, in a general way. But not in any detail. Once we had the opinion we had whatever it is the opinion says.

Q How about the exhibit, Exhibit No. 2, your memorandum to the Attorney General that you and Mr. McGinnis worked on? She didn't have any input into that particular memo, did she?

A Well, no, not beyond the--in terms of input, no. But we did obtain from Mary the Smith opinion and that had a role, of course, to play in that opinion.

Q But you didn't view any particular necessity for her to be involved in the drafting of that opinion or assisting you in that?

A No.

Q She wasn't a member of your office, was she?

A No, she is not, although--you know, my task was to provide my legal analysis to the Attorney General on these matters, and that is exactly what we did. These were not particularly difficult or intricate, obscure points we were making.

Q Who did Assistant Attorney General Wallison assign from his division to head up the investigation on that Tuesday?

A I don't know. I don't recall.

Q Was it Mark Richardson?

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A No. I don't think so. Although Mark had a role. [redacted] I do not frankly recall who was Bill Weld's principal deputy on this particular project.

Q Let me ask you the kitchen sink question before I turn it over to Tina.

Is there anything I haven't asked you or Pam Naughton hasn't asked you that you think is important that you would like to have included on the record in order to better clarify it from the perspective of what you did and what the Attorney General directed you to do and what the Attorney General did?

A I can think of nothing now I would like to add at this time.

MS. WESTBY: I have a couple simple questions.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. WESTBY:

Q The first one is: When Meese pulled you aside in this conference to say there might be some legal questions that you might be involved with, did he at that time or at any time soon after give you the impression that he knew details on this or had been asked about the legality of an oral finding?

A An oral finding?

Q Did he let you know he had been in conversations before?

A Before an oral finding?

Q Or did he just say this is an issue that has come up and be aware it might come to your office?

A It was more in the nature of giving me a heads up that our office would almost certainly be examining legal issues that relate to the Iran initiative, then very much in the news.

I subsequently learned, of course, that the Attorney General had been involved from the standpoint--at the inception of the Iran initiative, at least the part of it that was begun by the finding, early to mid-January, by providing legal advice, legal advice that, of course, would be under scrutiny.

Q Did you learn that from him?

A Yes. I learned it from other sources, everybody. There was no secret he was involved in it. I don't recall having had conversations about that on November 7 out at the Xerox training center, however.

Q Even in the coming weeks, did he provide you any kind of information, did he sit you down and say, ''By the way, you ought to know I was asked this question or I was asked about the finding?''

A Asked about the finding?

Q Well--

A I did know that he did undertake to pass on legal issues, the legality of the finding--

MR. LEON: Did he do that orally or in writing?

THE WITNESS: Orally. At least to this day, I have never been acquainted with anything wrong he did although Sporkin worked up some legal documents, analyses, but he reviewed and discussed the matter with Sporkin and concluded it was indeed legally authorized.

BY MS. WESTBY:

Q Did you see him though when you were first introduced to this matter as an outsider to these events and then by the time you get around to meeting with everybody concerning Casey's testimony, realize he was a participant?

A Oh, no, no. Certainly before the Casey meeting in--the meeting in Poindexter's office regarding Casey knew very well he had the role I described.

Q He did discuss that with you?

A Oh, yes.

Q All right.

The other question I have was regarding your phone conversation with Richard Armitage. When you were on the phone with Armitage, I understand you to have been calling him to find out what is the procedure for this kind of transaction.

Did he give you any--did he say to you, ''Gee, whiz, I know more than how this thing works. I was asked about pricing on this?'' Did he give you--did he provide any details about his own participation?

A Well, I don't recall him having provided me any details about participation.

Q He didn't volunteer anything?

A --in the sense of participation prior to the time--contemporaneous with the events that were being investigated.

No, I don't recall any offering of his that he had participation at that level. At best, I have a recollection that he was examining the details of the Economy Act transfers that took place and that that information was information that would be made available to us, of course, but I didn't--I do not recall any reference that he had any kind of involvement, let us say, in the DoD end of any of the individual transactions when they took place, the TOW transfers.

Q What did he understand your role to be in this? Did he understand that you were investigating this for the Attorney General or did he just think you were calling out of the blue on behalf of the Attorney General? Did he know you were investigating this matter?

A Well, I am sure to the extent this happened before the Tuesday press conference, I am sure I told him that we were looking into this matter and that it would be helpful to us to have some information and some assistance on figuring out the Economy Act process, in general, and in particular as it related to the individual shipment of arms to Iran.

Q And he never told you that his office was involved in that process?

A I don't recall him ever having told me that, no. I do not recall that.

Now, when you say involved, let me be clear; you mean in the Economy Act controversies that related to, let's say, the 508 TOWs or the 1000 TOWs--

Q Did he ever tell you his office had prepared documents or proposals or point papers regarding the specific shipments of HAWKS and TOWs?

A I do not recall him having said that to me.

Q Did he ever tell you that he ever had any conversations with Ollie North about, for instance, the November shipment?

A No, he certainly didn't tell me that. That is something that I would have a recollection of if he told me.

Q Did he ask you anything?

A I don't recall any struck me as odd or that made an impression on my memory.

MS. WESTBY: That is about it for me.

MR. LEON: Let me just finish with one thing, just one simple point. I want the record to be clear about this.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. LEON:

Q From the point your investigation began on Friday afternoon to lunch time after the Attorney General spoke to the President, up until the President was informed on Monday morning by the Attorney General of the events, during that time frame, is it safe to say, Mr. Cooper, that you and other members of that investigation team were working on a constant basis long hours and under great pressure?

A I think that in all candor and all modesty, it wildly understates the matter.

Q I think this is important because, first of all, the press will be reviewing whatever portions of this transcript probably are unclassified and historians will be reviewing it and this investigation is going to be the subject of scrutiny probably for years, not to mention the next few days, and I think it is important that those who review it have a flavor, a sense of how the four of you that were doing this investigation, the conditions under which you were operating, the sense of urgency and pressure under which you were operating.

And while the chronology gives flavor certainly to the constant grind of meetings of very sensitive matters and complicated matters, I think it is important for you to state in your own words for the record some sense of the rush of it all, the burden of it all, so that people can view what was done and the decisions that were made in perspective of how the four of you were living.

So if you could just give something to the record for that point, and I invite you to state it as fully as you wish, because I have no other questions.

A Mr. Leon, I appreciate your affording me that opportunity, because it is not possible for my chronology or any recounting of events I might provide to you or your colleagues even over a span of what now has exceeded 20 hours in testimony by me, by me alone, just one member of that small group of people who were involved in this project.

Even over that length of time, it is really entirely impossible for me to fully provide you with a sense of, with an adequate, accurate sense of the circumstances of that period of time.

It was--to call it exhausting and hectic and complicated all would be pale adjectives and I really am unable to provide a description of it, of that weekend that would accurately suggest the circumstances under which we were proceeding.

At the same time, I do not for a moment deny that it was very exciting. I don't mind saying that, notwithstanding it was--you now the thing has led to such extraordinary consequences. And the full consequences are not even now fully appreciated probably.

But obviously I do not participate in meetings in which I am personally interviewing on matters so sensitive and so important to the Nation and to the President, matters--I do not often sit in and discuss matters of that kind with the Secretary of State and National Security Advisers, and Directors of Central Intelligence.

So I cannot disguise, nor do I disclaim the fact that it was an element of excitement to have been involved in this and to have been in that place at that time in history. But by the same token, it was a matter, the importance of which the Nation was uppermost in my mind, and I think in the minds of everybody there.

And the potential consequences for the Nation, for this Administration, were fully appreciated and simply added a sense of gravity to the undertaking.

But it was, my chronology and the amount of time that it has taken me to answer your questions, do provide some flavor, perhaps, of the nature of the weekend and the pressures we were operating under.

Q I think it is important to state that because there will always be a lot of Monday morning quarterbacking and in this case it is an apt analogy because it was a weekend event, but I think you have captured the sense and I think you would agree that there was an operational sense among the four of you that were acting out of a sense of great caution because of the importance and sensitivity of what was going on.

I think you would agree there was a sense of every effort was being made to act deliberatively, but yet at the same time, very cautiously.

Would that capture in part the manner the four of you were conducting your duties?

A I do not quarrel, but rather accept your characterization, yes.

Q On behalf of the House Committee, and I am sure I speak for the Senate, you know, we sometimes don't adequately express our sense of thanks. You have been extraordinarily generous of your time.

As an Assistant Attorney General, you have a busy calendar and you and the Office of Legislative Governmental Affairs have been very cooperative and worked very long hours to assist us in the collection of your testimony and you have been very helpful in the collection of documents to supplement ~~of~~ our prior discovery, which you were very helpful with.

On behalf of the House and Senate Committees and the Members, I would like to thank you for the time and effort and candor and inconvenience to your schedule. We appreciate it very much.

A I am grateful very much for that, for your comments. I also want to make known on the record that I have been accorded every personal and professional courtesy by the staff of this committee, and for that I am most grateful as well.

MR. LEON: Thank you very much.

[Whereupon, at 4:15 p.m., the deposition was concluded.]

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of the

U.S. HOUSE OF REPRESENTATIVES

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DEPOSITION OF CHARLES J. COOPER

Wednesday, July 1, 1987

House of Representatives,
Select Committee to Investigate
Covert Arms Transactions with
Iran,
Washington, D.C.

The Select Committee met, pursuant to call, at 10:40 a.m., in Room 2226, Rayburn House Office Building, Richard Leon (Deputy Chief Minority Counsel) presiding.

Present: On behalf of the House Select Committee: Richard Leon, Deputy Chief Minority Counsel; and Pamela Naughton, Staff Counsel.

On behalf of the Senate Select Committee: Richard Parry, Associate Counsel.

On behalf of the Witness: Thomas M. Boyd, Deputy Assistant Attorney General, Department of Justice.

MR. LEON: On the record.

Whereupon,

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CHARLES J. COOPER

was called for as a witness and, having been first duly sworn, was examined and testified as follows:

MR. LEON: Why don't we have--we'll go around the table and have everybody introduce themselves.

My name is Richard Leon. I'm Deputy Chief Minority Counsel of the House Committee on Iran.

MR. PARRY: Richard Parry, Associate Counsel of the Senate Select Committee.

MS. NAUGHTON: Pamela Naughton, Staff Counsel with the House Select Committee to Investigate Covert Arms Transactions with Iran.

MR. BOYD: Thomas Boyd, Deputy Assistant Attorney General, Justice Department.

THE WITNESS: Charles J. Cooper, Assistant Attorney General for the Office of Legal Counsel, Department of Justice.

MR. LEON: Mr. Cooper, thank you so much for coming today. We never expected last week, after 18 hours worth of depositions, approximately, that we'd feel a need to call you back and prey upon your good offices and your patience and time. As I have promised you, and Mr. Boyd, we're going to try to be very brief about this and get you in and out.

What's precipitated this deposition today, as

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you, I am sure, are aware, there's an exhibit that was submitted--actually it wasn't an exhibit, I believe, it was the release of a transcript of the deposition of Judge Abraham Sofaer, Legal Counsel to the Secretary of State, a deposition dated June 18th, 1987.

House minority was unaware that that deposition had ever taken place until it had been released that day in the hearings last week when you appeared and we had no knowledge that it was going to be referred to in any questioning of you, and of course, you had never seen it prior to the hearing last Thursday, nor been questioned about it in any way, shape or form prior to the hearings.

Having reviewed the transcript, there were questions that we feel need to be asked on the record of you regarding certain conversations that are recounted in there by Judge Sofaer, and because of that, we've asked you to give up some part of your time to answer those questions and we thank you very much for being here today to answer those questions.

THE WITNESS: I'm happy to be here. It is my purpose to respond to the Committee's request until such time as my usefulness has been expended, and you all will know that; I won't, but I will continue to cooperate in any way I can.

MR. LEON: Thanks.

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My colleague, Pam Naughton, I'm informed, has only one question she wants to ask and I think, for the sake of her busy schedule and--I think it would be easiest just to defer to her and have her ask her question and whatever follow-up she has and then I'll go back to the transcript and address the questions that precipitated calling you in here.

MS. NAUGHTON: Thank you very much, Dick. I think first we should get the preliminaries out of the way.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Mr. Cooper, are you represented here today in your personal capacity?

A Mr. Boyd is here from the Department of Justice, under the same understandings, agreements and statements we made on the record on the first day of my hearing, so yes, he is here as both the Department's institutional representative, as well as my own.

Q So it's your understanding that he represents both yourself and the Department of Justice?

A Precisely the same understanding that I expressed and that we discussed upon--and I guess the deposition transcript will reflect--on the first day of my deposition of testimony.

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Q Then I'm a little confused, Mr. Cooper, because I understand that the Department made some public statements, and you made a public statement that you were not represented personally at the last deposition. I wanted to clear that up.

A Well, I--

MR. BOYD: Could we have clarification as to what these public statements are?

MR. LEON: I have a copy of the deposition right here if you'd like to refer to it.

THE WITNESS: I do not have a copy of that, but I recall our conversation on it and--

MR. LEON: Would you like to refer to it?

THE WITNESS: --and my own position on this matter hasn't changed at all. And on the same basis on which Mr. Bolton and, for a considerable amount of time, Mr. Boyd were present for the earlier portions of my deposition, I understand them to be present today.

MS. NAUGHTON: I just want to get clear, then, what's going on today.

BY MS. NAUGHTON:

Q Are you both--does Mr. Boyd both represent you and the Department of Justice?

A The understanding that I have regarding Mr. Boyd's presence is reflected in this deposition transcript, which Mr. Leon has--has displayed here to me, and, you know, I'm satisfied with that--that description on the record there, and really don't perceive a reason to articulate it all over again.

I mean, you know, I explained in detail what my view of this was, Pam. It hasn't changed at all. I haven't had any further conversations about this since the time that we outlined the essence, so Mr. Boyd is here on the same basis that he was.

Q That was unclear in the deposition and there's been a great deal of controversy about that, Mr. Cooper, and that's why I want to get it straight today before we proceed to--

A The controversy has escaped my attention. Where is this--where is the--that has involved me and the status of my--

Q I withdraw that comment. I simply ask you, does Mr. Boyd represent both yourself and the Department of Justice today?

A That is my understanding, yes.

Q Okay, thank you.

MS. NAUGHTON: And Mr. Boyd, for the record, whom do you represent today?

MR. BOYD: I represent Mr. Cooper in his capacity as Assistant Attorney General in charge of the

Office of Legal Counsel, consistent with agreements that we've reached with counsel on both sides of the Hill and the Select Committees of both Houses, and have exercised in previous appearances before this body.

MS. NAUGHTON: Okay, and is it your opinion that you also represent the Department of Justice at this proceeding?

MR. BOYD: Mr. Cooper is an employee of the Department of Justice, and when engaging in the conduct about which he has testified, he was a representative of the Department and we are representing him personally, at his request, before the Select Committee.

MR. LEON: So if there were a conflict of interest--

MR. BOYD: If there were a conflict of interest--if his activities were in any way--we'd have to recuse ourselves, of course.

MS. NAUGHTON: All right, so your position is that you represent him personally, and not the Department of Justice; is that correct?

MR. BOYD: I'm not sure I understand the question, but I represent him personally before this congressional committee at his request.

MS. NAUGHTON: All right.

BY MS. NAUGHTON:

Q And is that your understanding, Mr. Cooper?

A That is largely my understanding, you know. It has never been my request that anybody accompany to these depositions, however, neither do I have any objection to--to anyone accompanying me to these depositions or answering these questions under--under spotlights and in public.

But my understanding of the arrangements that have been worked out on this between our Department and this Committee are reflected in that transcript, and I have no understanding beyond that, the transcript of the deposition from my first day of testimony. And I--you know, I endorse it, I incorporate it by reference and I don't have any basis on which to elongate on it. It's just the same state of affairs that existed back then that I understand to exist now.

Q So you accept Mr. Boyd's representation that he represents you personally today--

A I do--

Q --in these proceedings.

A --accept that representation, as I accepted that understanding of the status of affairs on the first day of my deposition when the whole thing was explained to me then for the very first time.

MR. LEON: And was applied the second day of your deposition, June 23rd.

THE WITNESS: Yes, yes.

MR. LEON: You didn't have to be reexamined on that occasion.

THE WITNESS: I don't recall a conversation about it.

MR. BOYD: Let me ask a question for the record, and that is, Ms. Naughton made reference to public statements. Could you give us more specifics as to what public statements you're referring to?

MS. NAUGHTON: Yes, I understand the Department of Justice spoke to reporters yesterday or the day before. You said that Mr. Cooper was not represented personally at the depositions which we held last week.

MR. BOYD: Where did those comments appear? I haven't seen them; have you?

MS. NAUGHTON: Well, I'm not here to testify.

THE WITNESS: I have knowledge that sounds similar to the points that you're making and I did discuss the status of my own representation with a reporter from the Legal Times, I recall, and tried, in the best way I could, to explain to him as accurately as I could the arrangement that was worked out, but I stressed to him then, as I stressed here, and I will stress again, I've not retained private counsel to represent me in any aspect of any element of my conduct throughout this, and--and, you know, I'm eager to not project any impression or create any inference that I have.

MS. NAUGHTON: Did you tell anyone, including the reporter, that you were not personally represented at the depositions?

THE WITNESS: No, I don't believe I told anyone that, no. I think what I told anyone who I discussed this with is an understanding, a representation of the understanding about the reasons for Mr. Bolton's or Mr. Boyd's presence here in a capacity that is personal to me, but I certainly never--never described that understanding in a way that's inconsistent with the understanding reflected on this deposition transcript, not to a reporter, not to anybody else.

MS. NAUGHTON: Okay. Well, I'm glad you had an opportunity to clear that up.

THE WITNESS: Yeah.

MR. BOYD: I have said, too, for the record, that our representation of Mr. Cooper is in no way different from the representation of other agencies who have testified on both sides.

BY MS. NAUGHTON:

Q Mr. Cooper, if we can get to the substance now, I just have one question for you.

When you and the Attorney General interviewed

Robert McFarlane on November 21st, 1986, in the afternoon, Friday afternoon--

A Yes.

Q --do you recall whether or not either you or the Attorney General told Mr. McFarlane about Secretary of Shultz' note, that is, the note that Mr. Hill had regarding the statement that Mr. McFarlane had told Shultz in November of '85 that there were Hawks on that shipment?

A It's my recollection that we did not tell him about that note. In fact, I can recall going into the interview thinking that we would question him about a conversation and, if necessary, suggest the existence of a note that documented that conversation, but in fact, that line of inquiry never was asked--or I should take that back. We did, indeed, discuss the question regarding any conversations that he may have had in November about the November episode, the November event, and about conversations that he may have had with Shultz.

I really can't remember whether he offered the information, as I recall it now, that he doesn't recall having a conversation, but he thinks he probably did--he did say that during the interview--or whether the Attorney General asked him the question whether he had such a conversation. But in any event, he did make reference, as I have just described, to a possible conversation that he had,

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but there was no reference during that interview to notes in my recollection.

Q Well, when Mr. McFarlane said he may have had a conversation with Shultz, did he say that may have involved Hawk missiles--

A Oh, no--

Q --Hawk missiles?

A No, he did not. That--that I can be quite confident in my statement about.

Q Was it indicated in any way to him by either yourself or the Attorney General that Secretary Shultz had told you or had told someone else that Mr. McFarlane had mentioned the Hawk missile shipment to the Secretary in November of '85?

A No, it was not, not during that conversation, but I can tell you this: I, as the interview was taking place, I believed silently that McFarlane knew that we knew that there were notes of a Shultz/McFarlane conversation on this subject matter.

Q Why did you get that feeling?

A It wasn't so much that I got that feeling from the context or anything that he said.

Q Uh-huh.

A It was just that I had had conversations with--on Thursday evening, with Paul Thompson, in which--you know, I

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was really quite urgently about the business of trying to get the testimony straightened out and was advising Paul Thompson that they were very--very serious cloud over the statement that, you know, we had gone into at length, both here and in public testimony, and I--and I advised him that we had information of a conversation and later, I advised him not only did we have different recollections, but that the Secretary of State's recollection is supported and corroborated, I am told, by a note, an allegedly contemporaneously taken note of the conversation.

So--and it was also my understanding from Paul Thompson that he had talked to North and that North, in turn, had talked to McFarlane, though I never talked to North, and I never talked to McFarlane. This is what I perceived and--from Thompson, and upon learning--and that notwithstanding these facts, they still maintained their position on it, that--that the conflict was unavoidable and we couldn't clear it up. We would simply have to deal with the immediate problem, which was getting it out of any testimony or any reference that Poindexter might make in his informal briefings and clear it up in due time as expeditiously as possible.

So, Ms. Naughton, I--as we were discussing it, I believed that McFarlane probably knew about the existence of this note as he was discussing the question of the November transfer.

Q But he--I can assume he never referred to--

A He never--he did not, he did not.

MS. NAUGHTON: Thank you very much, I appreciate your indulgence.

THE WITNESS: Certainly.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. LEON:

Q It occurs to me, Mr. Cooper, that among the exhibits to Judge Sofaer's testimony is a November 21 memorandum which Judge Sofaer advised the Secretary of State not to--not to meet Bud McFarlane's request to meet with him about a prior conversation, in that Sofaer testified that there was an inquiry on McFarlane's part into what they had talked about--and notes were going. Did Sofaer bring that to your attention on the 21st at all?

A Bud's request to meet with the Secretary--and the 21st is Friday?

Q Right. Do you recall going over that with Bud?

A You know, I don't have a specific recollection of Abe Sofaer telling me that McFarlane was trying to do this, but I have a very general and vague recollection that, indeed, he may have mentioned that. I mean, I knew that that event had taken place before I read about it in the

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deposition transcript. But when it came to me or in what context Sofaer or anybody else might have made that known to me, I do not recall.

It may well be--you know, it may well be that that information or that--you know, it occurs to me that the Secretary of State may have mentioned that in our interview with him Saturday morning that McFarlane was calling him or attempting to set up a meeting with him and that he--and that he was going to decline to have such a meeting with him.

I have a general and vague recollection that that may well--I hate to keep qualifying it, but I only have a general recollection that Shultz may have mentioned it Saturday morning and I just have no recollection whether my notes reveal that or not, but my notes may even--may even provide some insights on that.

Q So it's possible that Bud McFarlane on Friday was inquiring of the State Department about notes that he had heard about existing between--concerning the conversation between him and Shultz--that he had heard about those notes--the existence of those notes from Thompson or somebody else as a result of your conversations on Thursday evening?

A Oh, yes, and I fully--not only possible--I mean, I have a strong sense that Paul Thompson--I mean, I fully expected him to communicate these facts to North and McFarlane--

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Q To see if that changed their story or--

A Exactly.

Q --or changed their recollection.

A Exactly, exactly, exactly.

Q So it wasn't like something that you wanted hidden from them.

A No, no. Not at that time; not at all. What I wanted was the--a consistent recollection of the events by all of the people who were players, and taking all the information that had come from various sources and sharing it with the people who had memories, or had some other basis for having knowledge, was the--my obvious and first efforts to try to clear up what, on the face of it, seemed like different recollections or failures of recollections or whatever.

But I do not recall--I don't think that Sofaer would have told me that McFarlane is trying to see the Secretary of State prior to the time that I met with McFarlane, so I don't--so I think that my supposition that I've suggested earlier, that McFarlane knew about the notes and probably knew--well, that McFarlane knew about the existence of the notes, even while we were interviewing him, notwithstanding his answers in no way suggesting that he did, is not based upon knowledge that he was at that point attempting to see the Secretary of State. I don't think I knew that while we were interviewing McFarlane. I'm quite confident that I didn't know it, but I do have the general recollection that I came by that information not long thereafter, probably very shortly thereafter, and I think with the Secretary of State.

Q Let me direct your attention to the principal reason why I asked you to come in today, and that is to address certain questions that arise in connection with Judge Sofaer's testimony, vis-a-vis his conversations with Deputy Attorney General Burns--

A Uh-huh.

Q --on the 20th of November, 1986, and as I said before, these were conversations that were not covered in your public testimony, or at least, your knowledge of them and your knowledge of the events relayed in them, and I would like to ask you some questions on it.

Have you had an opportunity to read through the deposition of Judge Sofaer that's been released?

A I have.

Q Okay.

I'd like to direct your attention to the page 37 area and then the area within there and let me focus in on a few of the facts.

Judge Sofaer testified on page 38 that he called Deputy Attorney General--he tried to reach the Attorney

General on the 20th and was unsuccessful, and that after being unsuccessful, he called the Deputy Attorney General, Arnold Burns, around 2:30 in the afternoon and left certain information with him, and from looking at the structure of the deposition, it appears that the information that he left with Burns is that which he recounts earlier on page 37 between lines 14 to 19. And for the record, let me indicate what that information, at least as he seems to indicate it to have been.

He wanted to call the Attorney General to advise him that the testimony of Casey that was anticipated the next day contained information about a shipment allegedly of oil-drilling bits and that he, Sofaer, did not believe that statement, and that in Secretary Shultz' notes, which Charlie Hill, his Executive Assistant, had a copy of, was an indication of a shipment in November of Hawk missiles and that McFarlane knew about it.

This seems to be what Judge Sofaer was indicating he left as a message for Mr. Burns.

He then went on to testify that he heard back from Mr. Burns and Mr. Burns indicated to him, sometime around 3:15 on the afternoon of the 20th, and this is indicated on page 38 of Judge Sofaer's testimony, that he spoke with Judge--excuse me, with Deputy Burns and Deputy burns indicated that he had conveyed this information I've just described, and on page 39, he recounts that he conveyed the information at about 2:30 to the Attorney General about the November '85 shipment from Israel and about the CIA's testimony concerning a White House urgent request for assistance in that shipment and a White House/NSC denial of such assistance.

Judge Sofaer then goes on to testify that Deputy Attorney General Burns indicated to him that the Attorney General had responded to that by stating that he had spent the afternoon with Poindexter and Casey on Casey's testimony and that he, the Attorney General, was fully aware of the facts that had been mentioned by Sofaer to Burns and Burns went on to say that the AG was profuse in his thanks for the warning of Judge Sofaer and appreciated his motives, but that he, the Attorney General, knew of certain facts that explained all these matters and that laid to rest all the problems that Sofaer might perceive.

And then Sofaer goes on to add that Burns said the Attorney General did not give him, Burns, any facts and that he, Burns, was simply passing on the mysterious--Sofaer says this was a characterization that Deputy Burns used--mysterious assurance that all was well.

Now, having focused your attention on that series of events of statements, let me start off with this point.

After the Attorney General left the meeting that you attended with him at the White House, he was heading to West Point, wasn't he, Mr. Cooper?

A Yes, he was.

Q And you, of course, stayed behind to meet with Mr. Wallison at Mr. Wallison's request--

A That's right.

Q --and it was shortly thereafter that you learned about because of Judge Sofaer's phone call which he testifies to to Wallison's office, which he says he was unsatisfied with Deputy Burns' response to him and that was what prompted him to call Wallison and that's when you learned about it.

A Right.

Q Now, from that point forward, when was the first time you spoke with the Attorney General, to the best of your recollection, on the 20th, regarding this conflict that you now knew about and perceived to be on the horizon?

A It would have been sometime around--well, actually, my chronology, if you've got it, will best reveal--it may well be that I talked to him prior to the time I had a secure conversation with him, but it was only to suggest that we have to have a secure conversation.

Q Okay.

A And, in fact, I don't think I made any other arrangements with the AG on an open line, but rather, dealt with Ann Rondeau, who is kind of his National Security Advisor, or was, so it's possible that we had a conversation over the phone prior to the time that we had our secure conversation which took place, according to my notes, from 10:30 to around 11. But any such conversation we might have had, and I don't think we did have one, would have been designed for me to tell him it's imperative that we talk on a secure line.

Q Uh-huh.

A I do know I said that to Ann Rondeau, and it was--and that was probably about an hour and a half, maybe even two hours before I ultimately did get through on a secure line--

Q Okay.

A --because it was an extraordinary hassle to get a secure connection to the AG at that time.

Q Now, was it your impression when you reached the AG finally over a secure line and you had an opportunity to discuss with him the problems that you saw about the testimony and the conflict between Shultz and McFarlane, that he had already been briefed about those problems by Deputy Burns?

A No, it was not.

Q It was not your impression?

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A No, it was not. It was--my impression was quite the contrary.

Q Okay.

Now, had--prior to your speaking to the Attorney General over the secure phone about this matter, had Deputy Burns or anyone in his behalf informed you that he, Burns, had spoken with Sofaer about this problem?

A I recall no such conversation and I have every confidence that I would recall such a conversation.

Q Do you recall Judge Sofaer, as he's testified, indicating to you that he had spoken with Burns and was unsatisfied with the answer Burns had given him?

A I do recall Judge Sofaer mentioning to me that he had talked with Burns and had raised his concerns or had raised a concern. That is the extent of my recollection, but it is certainly my recollection that Sofaer, in my conversation with him, not when I was at Wallison's office, but later when I was in my own office and we had our further conversation, that he mentioned he had--that he had talked earlier with Arnie.

Q Okay.

Did you, at some point, within the next day or two, speak with Burns about these matters?

A I don't think I've ever spoken--well, until the last 24 hours--

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Q Yeah.

A --with Burns about what, if anything, he recalls or did or anything else.

Q You mean in terms of talking to Sofaer about the--

A Yes, exactly.

Q Okay.

And was that prompted by this deposition--

A It was, indeed.

Q --the Sofaer deposition?

A Yes, it was.

Q Okay.

Now, going back to the Sofaer deposition again--

A I had no idea until this deposition was released, in fact, that Sofaer might have explained to Burns what he explained to me.

Q Now, according to Sofaer's recollection, Burns characterized his--excuse me, not characterized--Burns stated that the Attorney General had said to him, Burns, that he, the Attorney General, ''knew of certain facts''--I'm quoting now, that ''he knew of certain facts that explained all these matters and that lay to rest all the problems that I,'' meaning Sofaer, ''might perceive,'' and that's on page 39 of Sofaer's transcript.

A Uh-huh.

Q Had the Attorney General ever indicated to you that he was aware of certain facts that explained all these matters and laid to rest all the problems that--

A In my conversation with him?

Q Has he ever--had he at that time ever indicated to you that he--

A No, of course not.

Q Was it your impression when you talked to him over the secure phone that the conflicts that you were outlining to him and the Shultz position versus the McFarlane position was something that he hadn't focused on and didn't even really realize existed?

A That is--I--that is precisely the case. He--he recognized, as surely as I did, the conflict. I described to him the whole background, everything that I'd found out from Sofaer, and its irreconcilability with the information that we had that had been developed in this meeting with Poindexter--in Poindexter's office. Also that neither side of this dispute would relent on their recollection of it and that it seemed like a serious matter to me, fully appreciated, and was in no way knowledgeable from any indication I got from the secure phone call of any of the facts that I was relating to him.

Incidentally, I have noted in Mr. Sofaer's deposition, which, incidentally, is in every respect, in terms of its description of conversations with me and exchanges that we might have had, comports with my general recollection of those events.

Q Okay.

A And my recollection--I can recall that the public testimony was refreshed by Ms. Naughton on a conversation that I hadn't remembered that we had had, but sure enough, I do recall it now and it is--largely as Judge Sofaer's described in his deposition testimony.

But he--he mentions something here about--at the top of page 39 of the deposition--about the November 1985 shipment from Israel and one matter that he was concerned about, about the CIA's testimony concerning a White House urgent request for assistance in that shipment and the White House/NSC denial of such assistant.

Now, the only thing I have any recollection on is the November 1985 shipment from Israel and the oil-drilling element of that and the state of knowledge of U.S. persons regarding what was on that plane. That was my sole focus of attention. That was the only--I am not--I do not understand now what Sofaer is referring to as he describes the request for assistance and the NSC's denial that it requested the assistance, although that may well be something that Sofaer and I discussed, but I have no recollection of that and its immediate significance.

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Certainly it did not occur to me then, and it still doesn't occur to me. What did focus my attention was the McFarlane/Shultz conversation.

Q Let me ask you this. With regard to the characterization that the Attorney General--that Sofaer recalls, the Deputy Burns characterization of the Attorney General's response as being ''mysterious''--

A Uh-huh.

Q --had that ever been shared with you by Deputy Burns or anyone that he felt that the Attorney General had a ''mysterious'' explanation of events? Have you ever heard that before, seeing the Sofaer deposition?

A No, I had not. I certainly have no recollection whatever for it and that is something I would recall, I do believe.

Q Now, the Attorney General was en route--he was flying up to New York, was he not, from Washington, D.C., on the 20th?

A He left--you know, I don't know what he did between the time he left my presence--

Q Uh-huh.

A --and got to West point, but--

Q To West Point.

A --but it was my understanding when he left that he was--he was leaving hurriedly--

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Q Uh-huh.

A --to get up there.

Q Is it--if--is it possible that if Burns reached him in the time frame suggested by Judge Sofaer, sometime prior to their 3:50 in the afternoon conversation, then Burns had reached the Attorney General while the Attorney General was en route, either in plane or in a car or something?

A That's entirely possible and I--I have no reason to doubt that Sofaer's time estimates here are inaccurate. In fact, I would place--he does reference it, he called into Wallison's office around 4:00 and that's about when I would place it.

Q If Deputy Burns was trying to reach the Attorney General while the Attorney General was en route, either in a plane or in a car, would you say the likelihood was that if he reached him, it was over an unsecure phone line?

A I would that there's no--I just don't think there are secure phones in the AG's car. I may be wrong on that, but--

Q How about on the planes that he would fly on, if he could even be reached while in a plane?

A Well, now, I take that back because the FBI, when it travels with him, carries secure phone hookup--

Q Okay.

A --but I don't think that is something they can facilitate in the air or in the car and I doubt very seriously it's something that--as I understand it, you have to have the male and female part of these things and Burns has a regular secure phone, so no, it's just clear to me that if they did have their conversation telephonically--

Q Uh-huh.

A --it would have been over an open line, no doubt about that.

Q If that were the case, in light of the nature of the type of thing that Burns would have wanted to have conveyed to the Attorney General from Sofaer, is it likely that he would have gone in an open line into that great a description of the conflict, as you did when you did it over a secure one?

A Throughout this, Mr. Leon--well, in this little involvement that we're discussing that Burns may have had in this matter, he was, as I recall and as I know, a complete blank check in terms of his own mental status--

Q Uh-huh.

A --and knowledge of what was going on in this Iran thing or what I was doing or what the AG and I were doing at that time. So the information that Sofaer would have given to him, I have no doubt it might as well have been in a different language in terms of the context that he had for

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it, or in terms of his ability to appreciate its significance.

Q So--

A Now, I don't know what Sofaer told him. I have since talked with Abe and I know what Abe thinks he probably told him, even though Abe does distinctly represent to me that his--his--he would not have and did not go into anything like the details with Burns that he went into with me.

Q Uh-huh.

A But--

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Q I guess what I'm trying to get at here, Mr. Cooper, is that it would appear, at first blush anyway, that if Deputy Burns, as Judge Sofaer seems to recall, did have a conversation with the Attorney General while the Attorney General was en route to New York, it would appear at first blush that there's a high possibility, maybe even probability, that the conversation between Burns and the Attorney General might have been over an unsecure line and, hence, even more lacking in detail and more cryptic and, hence, more prone to being misunderstood by the AG then it would have been--the conversation you had with the AG over a secure line later in the day.

A Oh, yes, and there's no doubt that the AG did not perceive, in his conversation with Burns, what he perceived in his conversation with me. But I can't tell you why that may be or what it was that Mr. Burns precisely communicated to the Attorney General.

But by the same token, I do want to elongate to this extent. This response that Burns communicated back to Sofaer does seem to me to be logical and a sensible response if one realizes that the AG did not perceive that--the significance of what I later shared with him.

Q Uh-huh.

A In other words, I--and I'm offering you here speculation because I wasn't a party to any of these conversations, and the parties to those conversations would be the ones whose memories of them are most useful to you.

Q Before you speculate--

A Yeah.

Q --let me ask you this: Did the AG, in your conversation with him over the secure line, indicate to you that he had already spoken with Burns about this problem or that he had spoken with Burns at all about these matters?

A No, not at all, and--at least nothing that I can recall. There was no reference that I made to the fact that it's my understanding that Burns and you have talked--

Q In other words, you didn't tell the AG--

A --nor--

Q --what Wallison had told you, that he had spoken--

A It was Sofaer who had told me

Q --with Burns--excuse me, Sofaer had told you.

A No, no. I don't recall having mentioned that. That was the furtherest thing from my mind at the moment. The thing on my mind were the things that I communicated to him, and I do not recall him having mentioned to me in any way that he had received information from Burns.

Now, it's possible that he did, but it certainly didn't leave an impression on my mind. Whatever the conversation was between Burns and the AG was quite irrelevant, insofar as I was concerned. I had information that I had to get to the AG and get action on, and it was clear from my conversation with the AG that this was new information to him, that he in no way, prior to our conversation, perceived that we had an irreconcilable conflict in recollections or accounts of an important event in this whole matter.

I should also add that Mr. McGinnis was in the room, the small room at the FBI, where I placed this secure phone call and he heard every element, every word that I said to the AG, though he obviously did not hear everything the AG said to me, but he can recall no reference at all to Arnie Burns in my conversation with the Attorney General.

And another thing that I've taken care to reflect upon, as well as to inquire of Mr. McGinnis on is whether I made any mention of the conversation, the snippet of my conversation, with Sofaer in which the two of us discussed resignation as a possible consequence of the feared chain of events.

Q You didn't share that with the Attorney General?

A No, I didn't. I mean, I--

Q You didn't see any reason to, did you?

A Look, I didn't think about that again until such time as individuals such as yourself and representatives of

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Mr. Walsh's office began asking me about that conversation and that is an element of it that I recalled then, but--and McGinnis recalls it because he was in the room when I talked with Sofaer, so he recalls my end of that resignation conversation, but never again did I share that with anybody. That wasn't a motivating influence on me in the slightest, nor could it have possibly been a motivating influence on the Attorney General. He never knew about that until the recent media reports on that question.

. Q In fact, you've testified, I believe, didn't you, that you were proceeding on the belief, every belief on Thursday evening that this problem wasn't going to come to pass, that it was going to be straightened out and there wasn't going to be this, you know, inaccurate testimony the next day, and no need to resign the next day.

. A Oh, I knew that certainly, and I did make points to that effect with Sofaer earlier. I took our conversation to be an entirely theoretical one. I mean, I'm sure that we both meant what we said, but I knew it was entirely theoretical because those events that he feared were not going to transpire. I knew that with certainty. And I told him that, that the AG will not let those events transpire if there is a cloud over the accuracy of this information. And I was right.

. Q Okay, now. On page 45 of Abe Sofaer's

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testimony, lines 11 to 13--

A I'm sorry, page 45?

Q Yes.

A Yes.

Q Judge Sofaer is testifying about his conversation with you and he at one point is commenting that he was asking you to follow up, so to speak, with the Attorney General regarding the conversation Burns had told him he had had with the Attorney General.

To quote: ''Make sure that the Attorney General is not being sold a bill of goods.'' Do you have any recollection of Judge Sofaer making that kind of comment to you on the 20th?

Page 45, line 11 to 13, lines 11 to 13. And to put it in context, you might want to, for your own--before answering it, you might want to start with page--I mean, line 2 on that same page, where he's asked a question about his conversation with you and then he answers it and then he gets to that point on line 11.

[Pause.]

THE WITNESS: Well, let me just take these things in order here. I do note that on page 44, he does describe a portion of our conversation that I well remember, wherein we--I informed him that the testimony had only been kind of bolstered in its inaccuracy in that it had gone from no one in the CIA to no one in the USG knew about it, and that whether or not the previous statement was accurate or not, the modified, revised statement appeared quite clearly that it was impossible that it could be accurate.

And then he says that he asked if I'd spoken with the Attorney General by then about this. I don't recall him asking that question, and I don't recall if I told him whether I had or not, although--oh, I'm certain that if we had a conversation about that, I said, ''No, I haven't talked to the Attorney General about this,'' and I described the whole background of this matter and my meeting to him as I've described it to you all.

So there's no question but what I hadn't talked to the AG about this issue, and that that fact was, if not specifically stated to Abe, was quite clearly the case by virtue of my own reaction and my own assurances to him as to how the Attorney General would receive this information.

He may have well have--I do recall him referencing to me that he had spoken with Arnie. I do not recall him saying that he was disturbed by the answer that he had gotten because I don't--I did not perceive that he had outlined anything other than conclusions to Arnie. By that, I mean I--you know, conclusions such as ''I am very concerned that there are statements in the Director's testimony that are inaccurate or are in error.'' Not that he had displayed to Arnie the evidence on which he based his conclusions, the McFarlane/Shultz conversation, things that were very important to me but would be meaningless to Arnie. He may well have outlined the same evidence to Arnie that he did to me. I just don't know, but I certainly didn't perceive that was the case, I'm sure, in my conversation with Sofaer.

BY MR. LEON:

Q And you certainly knew that to the extent that Burns was doing anything, he was nothing more than a messenger who was relaying a message he had no knowledge the background about or any specific understanding about.

A He was a very high-level messenger in this, yes. He had no context, no knowledge.

I don't recall Sofaer suggesting that I follow up, but he may well have done so. I do certainly know that any such suggestion he made would have been superfluous. My course of conduct was a course of conduct that I had begun in Wallison's office when--as soon as Wallison got off the secure line, turned to me and, in the presence of Thompson, outlined the essence of this McFarlane/Shultz conversation. I, in turn, turned to Paul Thompson and outlined a course of conduct for him to undertake immediately and in the firmest terms.

So my course was set immediately, and prior to the time that Judge Sofaer may well have suggested that I, you know, try to do something about this. I was already trying to do something about it.

Q Here's what I'm trying to get at, Mr. Cooper. I, unfortunately, didn't have the opportunity, nor anyone else on behalf of the minority, to be present at the deposition of Judge Sofaer, and had I been, I would have focused on this particular fact.

In giving the answer he gave here on page 45, lines 11 to 13, that I've just pointed out to you, there is an impression that could be drawn from these, and I assure you we will endeavor to ask Judge Sofaer about this, but there's an impression that you could draw from this that he, Sofaer, was calling you in part because he was concerned that Deputy Burns was selling the AG a bill of goods, and if I had had a chance to ask Judge Sofaer that, I would have asked him point blank, was that a concern of his or was it the concern of him that a bill of goods was being sold to the AG by McFarlane or Casey or somebody else?

Now, with that concern with mind, I want to ask you this: Did you at any time ever get an impression from Judge Sofaer that he, Judge Sofaer, thought that the Deputy Attorney General of the United States was trying in some way to sell the Attorney General a bill of goods or deceive him in any way?

A Of course not.

Q Good. I just want--

A Of course not.

Q --the record to be crystal clear on that.

A Not only no, but heck no, that was never--

Q Good.

A --any--not until you have just suggested that has that even remotely entered my mind.

Q Well, there are reporters--

A What he was referring to--

Q --who may draw those conclusions, and I don't want there to be any chance taken that--

A Oh, my goodness--

Q --that kind of thing might be--

A Reporters, since the time I publicly testified, Mr. Leon--reporters have been drawing some conclusions that--that astonish and appall me and, you know, I would love another several hours with you to go line-by-line the various reports and accounts that I have read subsequent to my public testimony on this, to answer each and every one of these conclusions, but--

Q I just want it to be crystal clear--

A --but that one is--

Q --that never was given to you.

A No, it was never was, and--

Q Good.

A --and the proposition is an absurd one.

Q Good.

A But it is quitw clear to me that the other hypothesis you suggested is correct; Sofaer did think that the Attorney General and, therefore, I, were being sold a bill of goods. I mean, I think that was a suspicion--

Q By?

A By all of those people who were providing us information at that point.

Q At the meeting on the 20th?

A Uh--

Q By Casey--

A Yes, although I don't know that Sofaer knew that meeting was taking place.

Q Okay.

A It's entirely possible that he did. I've been impressed by the amount of information of events that occur that comes to Sofaer and to the State Department, but--but he didn't know from me that we were having that conversation, although that evening, I told him that we had had that meeting and that the statement ''No one in CIA'' was changed to ''No one in USG,'' and he saw the significance of that, obviously, as surely as I did.

But no, Arnie Burns--it is just not conceivable to me that Sofaer was attributing to Arnie Burns any such enterprise.

Q Fine. I just want to make sure that that inference--if someone should draw it, is totally without factual basis from your perspective.

A None whatever.

Q Good.

A It's--it's an absurd hypothesis.

Q Okay. Just want to be clear for the record.

Now, one last point before I ask you two questions that my colleague asked me to ask to you.

Judge Sofaer goes on, the next page, page 46, to relay a conversation he had with Mr. Wallison. Obviously that was between himself and Mr. Wallison, in which Judge Sofaer recounts Mr. Wallison telling him words to the effect that the President keeps getting deeper into this because people operating in his name and that by people operating in his name, Wallison was indicating Poindexter and North and others were taking actions and taking actions without the President's approval.

Did Mr. Wallison share with you those similar sentiments?

A No. I do not recall having had another conversation with Peter Wallison after I left his office on the 20th that evening, late_afternoon--

Q And do you have any knowledge of--

A --you know, throughout this period of time, this weekend flurry of activity.

Q And do you--

A Though I many times did talk with Sofaer off and on.

Q --and do you have any knowledge from any source as to whether or not Wallison, upon learning about this problem from Sofaer, and discussing it with you on Thursday the 20th, in turn went to the Chief of Staff of the President, Donald Regan, to discuss it with him and bring it to his attention?

A I don't know what course of action Peter Wallison took.

Q Okay.

A I have no idea.

Q Do you have any knowledge as to whether or not he, Wallison, was ever directed by the Attorney General or yourself or anyone at the Department of Justice, not to discuss it with Donald Regan or anyone else?

A Directed by whom?

Q To your knowledge, was Wallison at any time directed by the Attorney General or anyone else at the Department of Justice, not to discuss it with Donald Regan or anyone else?

A No, not to my knowledge. I don't think--I don't

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recall there having been any contact between Peter Wallison and the Attorney General during this period at all.

Q So if Mr. Wallison didn't bring it to the attention of Donald Regan, it wasn't because he had been directed not to bring it to the attention of Donald Regan? As far as you know.

A As far as I know, that is correct. I certainly--as I say, I don't think I had any other contact with Peter after I left his office that evening of the 20th. And I've never received even a hint of information that he may have been directed along the lines that you suggest by anybody.

Q And I believe your testimony on Thursday last was that--that after hearing the Attorney General's account of the Attorney General's meeting with the President and Donald Regan on Friday morning, the 21st, the impression you got was that was the first time the President and Donald Regan had heard about this conflict when they heard it from the Attorney General?

A Uh-huh, yes, that is--

Q Okay.

Now, Ms. Naughton, who had to leave, has asked me to ask you a couple of questions and let me put those to you.

The first one is, what did Mr. Burns tell you

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recently about what he, Mr. Burns, told the AG and what he told Sofaer?

A Mr. Burns--and I spoke to him yesterday on this--

Q Uh-huh.

A --his recollection--initially, he had no recollection at all of a conversation with Judge Sofaer or, in turn, with the AG. His recollection, as we talked, seemed to become somewhat refreshed and he--it is my understanding that he does recall a conversation with Abe. He doesn't recall anything that Abe may have told him, but it is his view that whatever it is that Abe told him, he repeated to the AG shortly thereafter in haec verba. That's his formulation, not mine. He suggests that--and that obviously makes sense to me. He has no context or knowledge of these matters and so whatever concerns that Abe expressed as being important that the AG have, Arnie believes that he then repeated those in haec verba to the Attorney General.

Q Did he have any notes that he had kept to indicate the conversations back and forth between himself, Sofaer and himself and the Attorney General?

A He is confident that he did not, but he--but, you know, he could not state that with certainty, but he knows of no notes.

Q He didn't have any when you talked to him, certainly. He had--

A No.

Q --not located any?

A No, no, absolutely not, and I asked him if there might be some notes that could enhance his memory of the event and he did not think so.

Q Okay.

A But I'm sure that, to the extent he has any uncertainty on that at all, he is reexamining any files that he might have that would contain any such notes. He doesn't recall the Attorney General's reaction that is described in this deposition and he had reviewed this portion of the deposition--

Q Uh-huh.

A --and so, that is the state of my knowledge on this at the moment. I asked him, in fact, if he thought that his conversation with the AG would have been telephonic because it was not my understanding that the AG had stopped back by the Department--

Q Uh-huh.

A --before he went directly to the airport to go to West Point, and on that, he has no recollection, but that it--he believes it may well be that the AG did stop by and he had a conversation with him in person on this.

Again, in my conversation with Mr. Burns, he--he qualified his every point by noting that he has--at first, he suggested that he had no recollection of this at all and, as we got into it, he seemed to begin to have some very vague and hazy recollection of it beginning to return to him.

. Q Okay.

. Her second question was: What did the AG tell you recently, if you discussed it with him, about this series of conversations between himself, the AG and Burns and--

. A Yes.

. Q --himself and you?

. A Yes, yes. Let me just make clear for the record that I'd discussed this with Sofaer; I discussed it with the AG and I discussed it with Burns.

. Q Since your testimony last Thursday.

. A Since my testimony last Thursday, since the time that I've--

. Q First saw the deposition.

. A Exactly, and I discussed it with them at different times and separately--

. Q Uh-huh.

. A --and the AG does have a vague recollection of his conversation with Burns. He thought it was while he was on his way to the airport in the car--

. Q In the car.

. A --in the car.

Q On an unsecured line.

A On an unsecured line, and that his recollection is that concerns, if they were--to the extent they were expressed in a conclusory way, and that he recalled that he had just--that he probably made the point that he had just finished an hour-and-a-half-long meeting with Poindexter and Casey and North and knowledgeable people, at which a number of factual matters were discussed, and in which what appeared to be the knowledgeable people were revising testimony, in order to accord with factual information, so he thought that any such concerns must relate to the matters that had already been addressed, raised and addressed by the people in that room, and that they were ironed out.

Q And Burns wasn't focusing in their conversation specifically on the ''No USG involvement''--

A Oh, no.

Q --insert that Colonel North was proffering at that--

A He couldn't possibly have been. He couldn't possibly have been, because Sofaer wasn't even focusing on that. He didn't know until I told him that that statement had been--that the original statement, ''No one in CIA,'' had been changed to ''No one in USG.'' He was concerned about the accuracy of no one in CIA, so no, there was no possible reference to that specific statement, and of course, my whole reference with the AG later that evening was with respect to that specific statement, which the AG knew about and I knew about, but Burns didn't know about and Sofaer didn't know about.

Now--well, so--so the AG's point is, as I understand it, or at least his recollection when I discussed the matter with him, was to recall in a vague way Burns' call to him or his communication with him--he thinks it was a telephone call--and that he, without specific references such as those that I had, suggested concerns that Abe has concerns, but the AG did not appreciate the basis for those concerns or obviously the seriousness of those concerns which he ultimately did when I discussed it with him and he assumed that any such factual problems would, in all likelihood, have been raised and disposed of in our meeting with Poindexter, and the matter seemed--when we left that meeting--let me just reiterate--when we left that meeting, you know, there were smiles on our faces because it seemed like everything was quite stable and on which--and that there were no apparent problems. We were all about a course of action that seemed entirely proper.

Not until that evening, when I talked to the AG personally, did he--it is my firm impression that he had any serious basis on which to undertake the measures that we then immediately did undertake.

Q And one last thing and I'll turn it over to my colleague, if he has any questions, just reiterating probably the obvious, but let there be no doubt about it. Judge Sofaer, in his deposition, makes it a point to explain how concerned he was that a cover-up might be on the horizon; that there might be a cover-up in the process, and how concerned he was about avoiding that and rooting it out.

Is it your testimony., Mr. Cooper, that you were just as concerned as he was and that the Attorney General was just as concerned as he was and that that's what you were endeavoring to avoid happening?

A It is my testimony., yes. I do think, however, there were differences in my state of mind and Abe Sofaer's state of mind at that point. He had seen these notes.

Q That's right.

A He had evidently discussed this matter with people who participated in that conversation--

Q The Hill notes, you're referring to?

A The Charlie Hill notes of the Shultz/McFarlane conversation. He had--these things were alleged to have taken place and alleged to exist to us. I did not--I did not question Abe's--in any way--Abe's statements on this, but he had actually seen the evidence--

Q Uh-huh.

A --of the Shultz/McFarlane conversation. We had only heard about it, so his--I think his state of suspicion at that point, with reason, was considerably higher than mine was.

The one thing I knew with confidence, and which I was--I knew with confidence was that we had a serious collision in memories that was not--that the parties to the events were not going to and were not able to reconcile for me. And I certainly did entertain sensitivity to the prospect that one of the parties knew better, but I was reluctant to come to that conclusion, and certainly had not come to that conclusion at that time.

Q Okay. And it was that very thing that led the AG to go to the President the very next morning--

A Yes, it was.

Q --to extend an investigation?

A Yes, it was.

Q Absolutely.

Mr. Parry.

MR. PARRY: Could we go off the record for a second.

[Discussion off the record.]

MR. PARRY: Back on the record.

I have no questions for you, Mr. Cooper, but I would like to just supplement the record made by Mr. Leon with regard to the knowledge that both the Senate and the

House minority counsel were given of the Sofaer deposition. I've made inquiries since the public testimony, Mr. Cooper, and I've learned that neither the Senators primarily responsible for the examination of Mr. Cooper, nor the Senate staff counsel primarily responsible for preparing the Senators, were informed of the existence of the Sofaer deposition, its contents or that it was going to be made the subject of a line of questioning at the public testimony.

THE WITNESS: I have--I have a few points.

MR. LEON: Do you want it on the record?

THE WITNESS: Yes, on the record, that I would like to make and one that I feel obligated to make because it is in the nature of a clarification of my public statement, my public testimony., and it relates to a line of questioning that Senator Sarbanes, as I recall, presented to me in the public testimony regarding the unlikelihood that so much excitement and urgency would have been generated by the November activity--by the November event or activity if, indeed, everybody believed that there were oil-drilling parts on that plane, and my recollection from my response was something to the effect that his point seems well-taken, it does seem unlikely now that he mentions it, but I did not recall having been struck by that at the time.

I'd like to clarify my response because since then, John McGinnis has reminded me that--that at some point during the weekend and almost certainly after we had discussed--after the McFarlane interview had taken place, but--

MR. LEON: Can we go off the record a second?

THE WITNESS: Sure.

[Discussion off the record.]

THE WITNESS: We're back on the record?

MR. LEON: Back on the record.

THE WITNESS: Okay, in any event, I do recall my--my answer to Senator Sarbanes. John McGinnis has now improved the state of my recollection on this point, and indeed, he reminds me, and his recollection on this is quite superior to mine, but I am reminded that we had a conversation, he and I, about the proposition that the third country [redacted] would have been adamant in its refusal, whether it really would have been adamant in its refusal to permit the plane to land if oil-drilling parts had been the only thing on the plane, so he--he recalls to my memory that we did have a conversation, he and I, to that effect.

I don't recall any other conversations that focused specifically on that point, but there may well have been. It was a very secondary discussion or element of our brain-storming on this whole matter, but I did think it important and I did feel obligated to correct the state of the record on that point.

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I also want to say that in reading Judge Sofaer's deposition, I note that he felt that it was very unlikely that the CIA would have--would have insisted on a finding should they ever be again involved in the shipment of oil-drilling parts to Iran. That is not a conclusion that I came to, because we also--this came to mind, I can recall, and--during the weekend, and we were quite satisfied that a finding would, indeed, have been required, whether there were Hawks or oil-drilling equipment on that plane.

So it wasn't all that astonishing, the oil-drilling parts story--wasn't all that inherently incredible. First of all, we were given to understand that Iran's lifeblood was oil and that oil-drilling parts were very important--highly sophisticated oil-drilling parts were very important to Iran.

Second of all, no matter what was on that plane, if it was a covert operation in which the CIA had some legally significant role, a finding would be required, Hawks, oil-drilling parts, you know, foodstuffs, no matter what, and finally, we also examined the question of whether or not oil-drilling parts were something that were prohibited to be exported to Iran and they are, or at least we came to the conclusion during that weekend that they were, no less prohibited than were Hawk missiles to Iran. The Export Administration Act has a list of prohibited items

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to certain countries, very similar to the Arms Export Control Act and the Munitions List, and oil-drilling parts, we concluded, are prohibited items to be exported to Iran without the appropriate governmental clearances.

Finally, I do know that in the aftermath of my public testimony, and there are many, many things I would clear up if the news reports were my standard, but they are not.

MR. LEON: We'll accept a letter if you'd like to send one to us.

THE WITNESS: Gosh, I've got too many things to do. You all know better than those news reports. I am confident of that. If I thought for a moment that this committee--that its inclinations were in the same directions, then, yes, I would--I would do whatever was necessary to clarify the committee's mind.

But in the aftermath of my public testimony, much has been made of the fact that Casey did not, in his--Director Casey did not, in his statement, make reference to the fact that Hawks were on that plane. Now, at all times in this, I was never under the impression that--that the ultimate fact that there were Hawks on that plane would in any way be concealed from the Congress. The only--there was no disagreement on the fact that, yes, there were Hawks on the plane; the only disagreement was who knew there were

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Hawks on that plane and when. That was the only thing we were addressing.

And I--because this was a concern in my own mind. I asked the CIA for the transcripts of Casey's testimony, as well as the Qs and As. I do know that at least with respect to his Senate-side testimony that day, he acknowledged that there were Hawks on that plane. I think he was asked the question and the question was asked, I think, by Leahy, and it makes clear that Poindexter advised them that there were Hawks on that plane, but by the same token, Poindexter alleges, according to this particular Senator, that Poindexter did not know there were Hawks on that plane until the previous day. About that, I'm sure the committee's knowledge is superior to my own, but in any event, it does appear clear from the transcripts of the Q and A portion of the Intelligence Committee's inquiry, then, on November 21st the fact that there were Hawks on that plane did, indeed, come out and there was no--there was no failure by anyone to at least acknowledge that Hawks were on the plane.

Finally, there is also in the transcript of his testimony at the end of each of his--at the end of his prepared statement, both in the House and in the Senate, he makes the point that he's confident that the facts that he's shared with them are accurate, but that our effort to discern the facts is ongoing and that when we learn new

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facts that are of significance, they will be shared as well with the committees. That is a caveat that I can recall quite distinctly suggesting be added to his testimony on the morning when I visited Director Casey in his offices, and indeed, I can recall quite distinctly even scratching out a few lines to that effect on a sheet of paper. I've never seen that sheet of paper since, but the point is that even as we realized there were certain facts that were not being--were certain potential facts that were not being shared with the committees, such as that there's a dispute raging over who knew what about these--what exactly was on these planes, this plane in November, it was very important to indicate that the state of our knowledge was incomplete and that we're undertaking to improve it and that the Congress will be made--the state of its knowledge will be improved as soon as the state of our own knowledge is improved and we can make factual statements in which we have confidence, and Director Casey did indeed take that advice and he did indeed make those statements to both committees.

Beyond that, I am satisfied now with the state of all the records in this matter.

MR. LEON: Mr. Cooper, I know I speak for our committee and I think I speak for the Senate Committee when I tell you how grateful we are that you found some time in your very hectic schedule to come out here today. I regret

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that the circumstances unfolded as they did last week such that we had to do this this week, and I regret that we hadn't had the opportunity to iron all of this out in the deposition last week, but because of the circumstances, which have already been detailed on the record, we didn't, and in light of the fact that you're now embroiled in helping advise the Attorney General and the President on a new Supreme Court appointment to replace Justice Powell, I know how precious these minutes are to you and we Thank you very much for giving us this time in your hectic schedule.

We wish you the very best.

THE WITNESS: I appreciate those remarks, and it is my pleasure once again. Let me know if I can be of any further assistance to you. thank you.

MR. LEON: thank you.

MR. PARRY: thank you.

[Whereupon, at 12:05 p.m., the deposition was concluded.]

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(NEW Odd PG)

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✓ McF.
✓ Schultz
✓ Sporkin

✓ Ollie North
Poin
Cap
V-P
Pres.
Regan
Casey

Any legal problems

Are there other facts that would raise ~~[illegible]~~ problems.

Chm. I have reviewed the chronology and made additions and amendments. One other question: On Nov. 20 at 7:30 you say that Thompson conveyed information that McFarlane stood by his account. I thought Thompson said that Poindexter was trying to ~~[illegible]~~ call McFarlane to confirm his account. At 11:00 you called Poindexter who said he was not able to call McFarlane.

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Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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1 7695 Chro[illegible]igation (per CJC memory)

Nov 7 Friday - at Mgt. Meeting
- Meese mentions need for legal work
✓ in connection w/ Iran.
Nov 12(?) Meets w/ Poin, Thompson -- see Finding
Nov 13 (?)✓ Pres. address to Nation ; CJC Memo to AG

Nov. 17(?) Receive draft chronology from NSC -(Thompson)
Nov 19 ~~[illegible]~~ Pres. Press Conference
Nov. 20 1:30 – 3:00 meeting in Poin office w/ Casey,
North, Gates, A.G., Thompson, CJC
re preparing for Casey testimony +
Poin informal briefing.

± 3:30 – 5:45 - meet w/ Wallison, Thompson,
learn from Abe that some inaccu
in NSC chronology + ∴ in Casey
proposed testimony

± 6:30 - 7:00 phone conversation w/ Abe -- advi
me of existence of notes of Schultz
McF. discussion on Nov 18, 85 r
"Hawks." (stick by their me

± 7:30 - 8:30 Paul Thompson advised of discrepancy + Gates rpts that N. or Mc
± 10:30 – 11:00 Secure phone call to AG in West
Point re what I had learned.
A.G. decides to come back; instructs me
to contact CIA/ Casey + delete inacc
rate statements from testimony.
11:00 – 15m Call to Poindexter who said he
had not been able to talk to McFarlane

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11:00 – CJC calls Dave Doherty + advises to modify delete "No one in U.S.G." sentence. Doherty already had.

Nov 21

8:00 - 8:30 CJC meet w/ Casey, Doherty re discrepancy. Review testimony re Nov. 85 [sic] eve and make some minor revisions.

I 9:00 - 10:00 Meet w/ A.G., WBR, Arnie (?), John Richardson.

11:30 AG meets w/ Pres., Regan

12:30 Lunch w/ A.G., John R., Brad, Bolton (?)

3:30 - 5:45 Meet w/ McFarlane, A.G.

Nov. 22 [redacted]

I 8:00 - 9:00 Meet w/ A.G., George Schultz, Chas. H at State Dept.

[illegible]

10:00 - 10:30 Meet AG, Brad, John R., in AG. office.

45 Lunch at Ebbit Grill – AG, CJC, Brad J.R. -- Brad informs of Contra memo.

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1 7697

2:00 - 3:30
5 ~~3:00 - 4:30~~ Meet w/ A.G., Spokin,

5 4:00 phone call w/ Dave Doherty to set up meetings w/ Ed. Deitel, and 2 guys from Ops Dir.

6:00-7:30 Meet w/ Dave Doherty, Ed Dietel, George Jameson, [redacted] John McGinnis

7:30-8:30 Meet w/ Dave Doherty, Jameson, McGinnis, [redacted]

8:30 - 8:45 Telephone conference w/ [redacted] + George Jameson.

Nov. 23, 1986

9:00 ~~[illegible] - 10:30~~ with Meeting w/ Chas. Allen, George Jameson, Dave Doherty, John McGinnis
9:45-10:30 CSC meeting with Casey, Chas Allen, Dave Doherty, with George Jam

9:30 - 11:00 John McG. interviews Dewey Clarridge (I ask a few questions).

12:30 -1:30 Meet w/ AG, Brad, J.R.

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$ 2:00 - 5:45 Meet w North, A.G., Brad, J.R.

6:00 - 6:45 Meet w/ A.G., Brad, J.R.

Mon. Nov. 24.

9:00 - 10:15 - Meet w/ Abe, Chas. Hill.

10:30 - 11:30 - AG. meets w/ McF.

11:30 - 11:30 - AG meets w/ Pres. - Regan, separately; + V.P.

2:30 - 3:45 - CJC + Brad meet w/ Tom [illegible]

2:00 - - NSPG meeting

evening - discuss with ~~John~~ McG. possible/crim liab re illegalities and ~~Nicaragua~~ [redacted] revelation.

This ? occurred on Tues. → Yes, on Tuesday J.R.

3:30 - 5:30 - Meet w/ Weld, Richards, McG., Alit potential criminal liab.

5:45 - 7:00 - Meet w/ A.G., Trott, Weld, Cribb, Bra J.R.

Evening - phone conversation w/ Susan Crawford re ation of TOWs, etc. (also re 1508 T in stock). This may have happened on Tu

Tues. Nov. 25

7:45 CJC + J.R accompany Meese to W.H. meet w/ Don Regan, Peter Wallison, Dennis T etc. Review Bd is proposed by Regan.

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8:15 - ~~9:~~ 9:30 CJC meets w/ Wallison + Thomas to d presidential statement. UNCLASSIFIED , 7699

9:30 - 10:30 Meeting w/ Pat Buchanan, Speakes, Thomas, Wallis, CIR, J.R., etc., to review presidential statement.

11:30 - Pres. makes statement.

11:35-12:45 - A.G. holds press briefing.

1:30 - 2:30 Meet w/ Cribb, Brad, J.R., Bolton (lunched in Cribb's office) re status.

2:30 - 3:00 Meet w/ A.G., Brad, Trott, Webster, J.R., Cribb, Burns, Bolton(?). A.G. asks for examination of possible crim. liab. and orders that NSC docs be frozen. Directs Burns to instruct Wallison

3:30 - 7:00 See Monday

7:00 - 8:30 Meet w/ Brad, John McG., Susan Crawford and various people from DOD/Army re Economy Act transfers to CIA & method of valuation.

[At some point Tues. evening -- I think it may have been Mon. -- Casey called me to ask if I have run across "Lakeside Resources" in our inquiry. I said I vaguely recalled some such referen

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Wed. Nov. 26 UNCLASSIFIED J 7700

[redacted]

3:30 - 5:35 Meeting with investigative team.

5:50 - 7:00 Conference call (secure) with John McMahon, George Jameson, Ed Dietel, John McG.

7:45 - 10:30 Interviewed by 2 FBI agents; provided copies of NSC chronology (all versions); edited version of insert for Casey testimony re Nov. Hawk episode.

Friday Nov. 28
± 9:00 p.m. FBI agent calls re other docs -- in safe -- advised to call & Kathy Harris Sat a.m.

Sat. a.m.
FBI got docs in safe.

Monday
5:00 p.m. - Met with FBI for status rept.; gave notes after meeting.

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U.S. Department of Justice
Office of Legal Counsel

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Office of the
Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Statutes Relevant to Recent Actions with respect to Iran

The statutes most directly bearing on the legality of the recent missions to and transactions with Iran are the following: the Hughes-Ryan Amendment, the congressional reporting provisions of the National Security Act, and the Arms Export Control Act. Based on our understanding of the facts, we believe that the recent actions with respect to Iran, including the transfer of arms to Iran by the CIA, do not violate the Hughes-Ryan Amendment or the National Security Act. Moreover, under the the executive branch's prior interpretation of the Arms Export Control Act, this Act is inapplicable to the arms transfers to Iran. (S)

Hughes-Ryan Amendment. The Hughes-Ryan Amendment to the legislation authorizing the operations of the Central Intelligence Agency was passed in 1974 in response to revelations of covert CIA operations. The Amendment, as amended in 1980, provides (22 U.S.C. 2422):

> No funds appropriated under the authority of this chapter or any other Act may be expended on behalf of the Central Intelligence Agency for operations in foreign countries other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States. Each such operation shall be considered a significant intelligence activity for the purpose of section 413 of title 50.

Because the President made the appropriate finding, the Hughes-Ryan Amendment does not prohibit the use of CIA funds for the transfer of arms to Iran. (S)

Congressional Oversight Provisions of the National Security Act. In 1980 the National Security Act of 1947 was amended to provide for congressional oversight of "significant anticipated intelligence activities." This section now provides (section 501 of the National Security Act, 50 U.S.C. 413(a)) (emphasis added):

[redacted] Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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> To the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods, the Director of Central Intelligence and the heads of all departments, agencies, and other entities of the United States involved in intelligence activities shall --
>
> (1) keep the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives . . . fully and currently informed of all intelligence activities which are the responsibility of, are engaged in by, or are carried out for or on behalf of, any department, agency, or entity of the United States, including any significant anticipated intelligence activity, except that (A) the foregoing provision shall not require approval of the intelligence committees as a condition precedent to the initiation of any such anticipated intelligence activity, and (B) if the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting vital interests of the United States, such notice shall be limited to the chairman and ranking minority members of the intelligence committees, and the majority and minority leaders of the Senate . . . .

Section 501(b) of the National Security Act applies to those situations in which the President fails to give prior notice under section 501(a) :

> The President shall fully inform the intelligence committees in a timely fashion of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a) of this section and shall provide a statement of the reasons for not giving prior notice.

Section 501 of the National Security Act does not contemplate that prior notice of "intelligence activities" will be given in all instances. Subsection (b) of section 413 makes specific provision for situations in which "prior notice was not given under subsection (a)." Because subsection (a) includes situations in which the President provides notice to the full intelligence committees under subsection (a)(1)(A) and situations in which he provides prior notice restricted to designated

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members of Congress, including the chairmen and ranking members of the House and Senate intelligence committees under subsection (a)(1)(B), it seems clear that subsection (b) contemplates situations in which no prior notice has been given under either of these provisions. This interpretation is confirmed by a colloquy between Senators Javits and Huddleston, who were on the committee that drafted this provision. Senator Javits asked: "If information has been withheld from *both the select committee and the leadership group (as section 501(b) envisages)*, can it be withheld on any grounds other than 'independent constitutional authority' and, if so, on what grounds?" Senator Huddleston answered: "*Section 501(b) recognizes that the President may assert constitutional authority to withhold prior notice of covert operations*, but would not be able to claim identical authority to withhold timely notice under section 501(b). A claim of constitutional authority is the sole grounds that may be asserted for withholding prior notice of a covert operation." 126 Cong. Rec. 17693 (June 28, 1980) (emphasis added).

Moreover, the preamble to the provision makes clear that disclosure is required only when such disclosure is consistent with the President's constitutional duties. Accordingly, the President is not required to make disclosures when he is acting in a situation in which he is employing his inherent foreign affairs powers. As the President made clear in his televised address to the Nation this evening, the primary purpose of the recent actions with respect to Iran was diplomatic. The "intelligence activities" involved in the Iran matters consisted of, *inter alia*, negotiations with a foreign sovereign, of which the arms transfers were an integral part, and attempts to gain information relating to Americans captured abroad. These intelligence matters were inextricably intertwined with and essential to the President's foreign policy goals. We therefore believe that the President was acting at the height of his inherent power in foreign affairs. In *United States* v. *Curtiss-Wright*, 299 U.S. 304 (1936), the Court made clear that the President has plenary power over negotiations with foreign powers:

> In this vast external realm [of foreign affairs] with its important, complicated, delicate and manifold problems, the President alone has the power to speak or listen as a representative of the nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it. As Marshall said in his great argument of March 7, 1800, in the House of Representatives, "The President is the sole organ of the nation in its external relations, and its sole representative with foreign nations.

The Court in *Curtiss-Wright* also quoted approvingly George Washington's message to Congress in which he refused to give the

House of Representatives documents relating to negotiations over the Jay Treaty, characterizing the refusal as one "the wisdom of which was recognized by the House itself and has never since been doubted." 299 U.S. at 320.[1] Accordingly, given the strength of the argument that Congress cannot require the President to make disclosures concerning negotiations with foreign governments even after they are completed, the argument that he cannot be forced to make disclosures during the pendency of sensitive negotiations is particularly compelling. (S)

Second, we believe that a good argument can be made that section 501 of the National Security Act does not require disclosure of information in particularly sensitive circumstances, even if the President is not acting in a manner that implicates his inherent constitutional powers in foreign affairs. The preamble to Section 501 qualifies the requirements of the provision not only by reference to constitutional authorities, but also by reference to the need to keep certain national security information secret. President Carter, in his signing statement for the Intelligence Authorization Act of 1981, stated the understanding on the basis of which the bill received executive approval (emphasis added):

> It is noteworthy that in capturing the current practice and relationship, the legislation preserves an important measure of flexibility for the President and the executive branch. It does so not only by recognizing that there are circumstances in which sensitive information may have to be shared only with a limited number of executive branch officials, even though the congressional oversight committees are authorized recipients of classified information. Circumstances of this nature have been rare in the past: I would expect them to be rare in the future.

---

[1] As quoted in Curtiss-Wright, 299 U.S. 320-321, President Washington said:

> The nature of foreign negotiations requires caution, and their success must often depend on secrecy: and even when brought to conclusion a full disclosure of all the measures, demands, or eventual concessions which may have been proposed or contemplated would be extremely impolitic; for this might have a pernicious influence on future negotiations, or produce immediate inconveniences, perhaps danger and mischief, in relation to other powers.

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President Carter seems to have contemplated that there would be instances in which the President would restrict information even when there was no constitutional basis for doing so. Cutting against this interpretation of section 501, however, is the previously quoted colloquy between Senators Javits and Huddleston in which Senator Huddleston suggests that "[a] claim of constitutional authority is the sole grounds that may be asserted for withholding prior notice of a covert operation." 126 Cong. Rec. 17693 (1980). Because we believe that the President was acting in a manner that implicates his inherent powers, we need not now decide the question of whether the National Security Act permits the President to withhold prior notice on other than a constitutional basis.

Arms Export Control Act. The Arms Export Control Act places a number of restrictions on the export of arms executed under its authority, including:

1) Sales must be made only to countries with respect to which the President has found that such sales will strengthen the security of the United States and promote world peace (22 U.S.C. 2753(a)(1));

2) The articles must be sold only for use for legitimate purposes and the recipient country must agree to use the arms only for legitimate (e.g. self-defense) purposes (22 U.S.C. 2753 (a)(2));

3) A report of the proposed sale of major defense equipment valued at $14 million or more must be submitted to Congress (22 U.S.C. 2776(b)).

4) As of August 26, 1986, no arms may be exported to countries that the Secretary of State has certified as supporting terrorism. See Section 509 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986. (The Secretary of State has certified that Iran supports terrorism).

The Department of Justice, however, has previously concurred in the conclusion of the Department of State that the Arms Export Control Act is not the exclusive authority for transferring arms to foreign countries and that arms may be transferred outside the context of that statute. See Letter from William French Smith to William J. Casey (Oct. 5, 1981). In the case considered by Attorney General Smith the government relied on the CIA's authority under Section 102(d) of the National Security Act in transferring arms to a foreign country for the primary purpose of achieving certain intelligence objectives. Section 102(d) provides that it shall be the duty of CIA, under NSC direction, to perform services of common concern for the benefit of existing intelligence agencies and to perform "such other functions and duties relating to intelligence affecting the national security

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as the National Security Council may from time to time direct."[2] We understand that the arms transfer to Iran had an intelligence objective among its objectives. Accordingly, under prior precedent, section 102(d) of the National Security Act furnishes authority for the President's action, and the restrictions of the Arms Export Control Act do not apply. (S)

We therefore believe that the Department of Justice can successfully rebut arguments that the actions with respect to Iran violated either the congressional reporting provisions of the National Security Act or the requirements of the Arms Export Control Act.

Chas. J. Cooper

Charles J. Cooper
Assistant Attorney General
Office of Legal Counsel

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[2] We understand that the President informed members of Congress of this transaction pursuant to the section 501 of the National Security Act.

UNCLASSIFIED NO DATE Ollie North

SUBJECT: Background and Chronology of Special Project

BACKGROUND: The USG has actively sought the release of American hostages held in Iran through various channels since 1984. In addition, the USG has been interested in getting the Government of Iran to moderate its support for international terrorism. As it became clear that some of the hostages were being held by the pro-Iranian faction of the Hizballah, it was felt that the Iranian Government might be able to put pressure on the Hizballah to release its hostages.

In late 1984, Michael Ledeen approached the NSC to discuss contacts with Iran and suggested the NSC work with Israeli officials who already had contacts with Iran based on their covert arms deals with that country. Ledeen met with Prime Minister Peres who agreed to help and introduced Ledeen to David Kimche and Jacob Nimradi, two other Israeli officials. These two Israelis, in turn, introduced Ledeen to Manucher Gorbanifar, an Iranian arm merchant operating in Europe who was actively involved with the Israelis. Ledeen introduced Gorbanifar to NSC officials. Gorbanifar appeared to be well tied in with various factions within the Iranian Government and he served as the intermediary between the NSC and the Iranians.

In June 1985, the Hizballah hijacked TWA flight 847 and Iranian Majlis Speaker Rafsanjani played an important role in resolving that incident, which included the release of a number of Lebanese Shi'a held by Israel.

Throughout 1985 NSC contacts with Ledeen, Gorbanifar, and the Israelis continued. In summer 1985, NSC [redacted] officials first met Amiran Nir, an Israeli official on Peres' staff who was to become the principle Israeli contact in NSC dealings with Gorbanifar and the Iranians.

In early September 1985, the CIA was asked by the NSC to [redacted] due to the imminent release of an American hostage. The NSC informed the B. CIA that Gorbanifar and [redacted] were involved.

On 14 September 1985, Reverend Weir was relersed by the Hizballah. At the same time, the Israelis, at NSC behest, delivered 508 TOW missiles to Iran. Since the Iranians would not pay for the TOW missiles until they were delivered, and since the NSC was instructed not to use any USG funds for the operation, Gorbanifar used his contacts with Saudi financier Adnam Khashoggi to come up with $5 million USD to pay for the

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TOW missiles. The NSC agreed to provide the Israelis with 508 TOW missiles to replace those they provided for the operation. The aircraft carrying the TOW missiles delivered them to Tabriz but had problems during the return flight which forced a technical stop [redacted] before returning to Israel.

On 3 October 1985, the Hizballah announced they ~~have~~ had killed hostage Buckley, though later debriefings of released hostages indicate he probably died in early June 1985.

In November 1985, as the next step in the operation, the NSC arranged for Israel to send 18 [redacted] HAWK missiles to Iran. However, the Israelis neglected to remove the Israeli markings from some of the missiles. This oversight, plus the fact that the Iranians had been led to expect they would be receiving [redacted] HAWK missiles, led to a huge disagreement which caused further developments to grind to a halt.

In December 1985, McFarlane left the NSC and Poindexter ordered Ledeen out of the operation and made Ollie North B. directly responsible for dealing with Gorbanifar [redacted] On the Israeli side, Nimradi was replaced as the primary contact by Amiran Nir.

In January 1986, the President approved the operation to work with the Iranians for the release of hostages in return for military equipment. The CIA ~~is~~ was asked to provide logistical and operational support.

In early 1986, contacts with Gorbanifar serving as a B. go-between to [redacted] continue.

In mid- February, the NSC delivers 1000 TOWs to Iran.

B. In March 1986, Gorbanifar [redacted] [redacted] meet with the NSC in Germany. The NSC are given a list of spare parts for HAWK missile batteries and radars requested by the Iranians. CIA then works with select number of DOD officials to obtain the spare parts. It is agreed that the spare parts plus more TOW missiles will be delivered to Iran at the successful conclusion of a meeting between NSC officials and Iranians in Tehran.

To provide the US with the money for the spare parts and TOW missiles, Gorbanifar must again finance the deal. He raises 16 million dollars which is passed to the US, with the expectation that the Iranians will, in turn, pay him once the items have been delivered. Gorbanifar again works with

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Khashoggi to raise the money from several Canadian, American, and Arab investors.

On 22 April 1986, a U.S. Customs Service "Sting" Operation in Switzerland under the State Department's "Operation Staunch" disrupts a large on-going Iranian arms procurement deal being run by Gorbanifar. This deal was unrelated to the NSC operation. Gorbanifar is arrested by the Swiss, but released after 24 hours. Gorbanifar loses the money he and Khashoggi put into that particular operation, funds probably raised from the investors for the NSC operation.

On 15 May 1986, Gorbanifar finally comes up with sufficient funds for the next step of the NSC operation and a meeting is arranged to take place in Tehran.

On 22 May 1986, HAWK missile spare parts are picked from Kelly AFB and flown to Israel and the US team departs for Europe.

On 23 May, a second aircraft picks up 508 TOW missiles and flies to Israel.

On 24 May the US team goes to Israel where Nir joins them for the trip to Tehran. The Team departs for Tehran. They bring along some of the Spare Parts to show the Iranians their good faith.

On 25 May, the US team arrives in Tehran and holds meetings with the Iranians. However, the meetings do not go well, probably because the Iranian factional concensus is falling apart. The second aircraft load of spare parts is recalled while on its way to Iran and returns to Israel. The US team departs after five days, having made no progress.

B. In June and July 1986, talks with Gorbanifar and [redacted] continue and it is decided that the Iranians must show their good faith by forcing the Hizballah to release another hostage. In July Gorbanifar goes to Lebanon and Syria in an effort to get Father Jenko released.

On 26 July 1986, Father Jenko is released.

On 3 August 1986, the remainder of the HAWK spare parts that have been collected are delivered to Iran. The spare parts are picked up at Kelly AFB and flown to Iran via Israel.

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U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and to try and reestablish a constructive working relationship. Even before President Reagan came to office the U.S. Government agreed to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. When the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public, radical elements in Tehran forced the ouster of the Bazargan government. That episode has influenced subsequent Iranian willingness to engage in any direct contact with the USG.

Despite, [illegible] ~~[illegible] to [illegible] a relationship with the~~ USG] our strategic interests in the Persian Gulf mandate persistent efforts on our part to try to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- ~~Egypt, Jordan~~, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran, the key to a region of vital importance to the ~~U.S.~~ West, is increasingly threatened by growing Soviet military and political influence along its borders and inside its country. The increasing desperation brought on by the costs of the Iran-Iraq war further exacerbates Iran's vulnerability to growing Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran, have made reopening a strategic dialogue increasingly important. Of particular importance in this context has been a need to more effectively monitor Soviet activities in the region and, if possible, to re-establish our electronic surveillance capability along the Soviet border.

Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact. [redacted] Despite U.S. willingness to proceed, none of these overtures ~~have~~ has succeeded.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in arranging the release of our citizens held hostage in Lebanon. [redacted]

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In 1985, a private American citizen was approached by a representative of the Israeli government, who reported that they had established a liaison relationship with an Iranian expatriate in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the officials involved, he indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The Israelis analysed this intermediary's background exhaustively in order to validate his legitimacy. This analysis led them to have extremely high confidence in his standing and genuine relationship to the highest Iranian officials. Based largely upon the Israeli evaluation and in recognition of the clear U.S. interest in a dialogue that might, over time, lead to the moderation of Iranian policies, in 1985, the U.S. established an indirect contact with the Iranian intermediary, through the private U.S. citizen and a senior Israeli official. These contacts were established through the National Security Council staff with the full knowledge of appropriate Cabinet officers. From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of State policy. *

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, the four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. Speaker of the Majlis, Rafsanjani, in his speech on November 4, 1986 for the first time publicly acknowledged his role in this matter.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough on the hostage situation and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

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On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organisation. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted] Shortly after Reverend Weir's release, the U.S. acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit the existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government.

Throughout the remainder of 1985, the USG maintained contact with the Iranian expatriate. A number of meetings were conducted in Europe including NSC, CIA, Israeli, and Iranian representatives. From the outset, the U.S. side sought to arrange a direct meeting with high-level Iranian officials. In December, 1985, the National Security Advisor met with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane stated that our goals were as follows:

- [illegible]
- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

He made clear that any such dialogue could not develop without the prior release of U.S. hostages. He also made clear that we could not engage in trading arms for hostages.

In January, 1986, the President approved a covert action Finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The escalation of tensions with Libya, including the April 14 strike, prevented further dialogue from taking place until the Iranians contacted the intermediary (Gorbanifar) in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the murder of hostage Peter Kilburn by Libyan authorities, allegedly in retaliation for the U.S. raid on Libya. The Iranian expatriate told the NSC and CIA officers, who met with him, that the Iranians did not wish to be accused of any culpability in Kilburn's death.

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On May 15, the President author ized a secret mission to Tehran by former National Security Advis r McFarlane, accompanied by a CIA officer, members of the NSC st aff, and the Israeli and Iranian interlocutors. In order to en sure operational security, the trip was made from Israel, coincide nt with the delivery of a pallet of spare parts for Iranian defens ive weapons systems (HAWK spare parts). At the specific request of Ir an, alias foreign documentation was obtained from the CIA.

In the course of this four-day visit, lengthy meetings were held with high-level Iranian offici als, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establis h the basis for a further relationship and clearly articulate ou r objectives, concerns, and intentions. The group was als o able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no long er win. Using Presidentially approved Terms of Reference, w hich had been reviewed and approved by appropriate Cabinet officer s, McFarlane emphasized that our interest in Iran transcended t he hostages, but the continued detention of hostages by a Leb anese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

- that we fundamentally opposed Iranian efforts to expel us from the Middle East;
- that we firmly opposed their use of terrorism;
- that we accepted their revolution and did not seek to reverse it;
- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan) through dialogue.

The Iranians emphasized that the U.S. embargo on hardware paid for by the Shah was, for them, the most significant deterrent to improved relations. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed in light of their failure to exert their influence to cause the release of the hostages.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint. On August 3, a planeload of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Bandar Abbass (from Israel).

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In early August, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF [Ret.]) acting within the purview of the January Covert Action Finding, made contact in Europe with a relative [redacted] of a senior Iranian official (Rafsanjani). In early September, discussions were initiated in Washington with this close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided intelligence designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war.

Through August, September, and October, further meetings were held in Europe between U.S. and Iranian representatives. During these sessions, the U.S. side consistently insisted that the release of the hostages was a pre-requisite to any progress. The Iranians, for their part, urged that we take a more active role in support for the Afghan resistance and suggested that, if we would provide TOW weapons to Iran, they would train and equip Afghan resistance fighters with these weapons. The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] As a further demonstration of U.S. good faith, Israel provided Iran with an additional increment (500 TOW missiles) of these defensive weapons on October 29.

Soon thereafter, the moderate faction in Iran prevailed over more radical elements to use their influence over the Hizballah, enabling the November 2 release of David Jacobsen. Jacobsen's release was assisted by the efforts of Terry Waite, who was on-scene in Beirut when it occurred.

The persistent U.S. effort to establish contact with Iran has intensified a power struggle in Iran between moderate elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a highly fabricated version of the McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The

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U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and to try and reestablish a constructive working relationship. Even before President Reagan came to office the U.S. Government agreed to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 [redacted]

-- October 1979 [redacted]

-- October-November 1979 [redacted] discussed normalization of relations

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they precipitated the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts on our part to try to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran, the key to a region of vital importance to the West, is increasingly threatened by growing Soviet military and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran [which] serves Soviet strategic interests in the area.
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-- Communist nations have become principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly threatening Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the Communist influence in Iran stems from:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to significantly improve their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact. [redacted] About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. However, internal splits and debates made it difficult for them to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In 1985, a private American citizen (Michael Ledeen) was approached by a representative of the Israeli government (David Kimche), who reported that they had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The Israelis analysed this intermediary's background exhaustively in order to validate his legitimacy. This analysis led them to have extremely high confidence in his standing and genuine relationship to the highest Iranian officials. Based in large part upon the Israeli evaluation and in recognition of the clear U.S. interest in a dialogue that might, over time, lead to the moderation of Iranian policies, the U.S. established an indirect contact with the Iranian intermediary in mid-1985, through the private U.S. citizen and a senior Israeli official. These contacts were established through the National Security Council staff with the full knowledge of appropriate Cabinet officers. From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of state policy.

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In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis [redacted] Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough in their contact with Iran and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

On August 22, 1985, the U.S., through the U.S. citizen intermediary, acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. We were subsequently informed that the delivery had taken place at the end of August, though we were not aware of the shipment at the time it was made. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers [redacted]

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed

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Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, the Israelis, responding to urgent entreaties from the Iranians, provided 18 basic HAWK missiles to Iran in order to improve the static defenses around Tehran. The Israeli delivery of HAWK missiles raised U.S. concerns that we could well be creating misunderstandings in Tehran and thereby jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. These missiles were subsequently returned to Israel in February 1986, with U.S. assistance. On December 6-8, 1985, the National Security Advisor met (in London) with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane stated that our goals were as follows:

- Devising a formula for re-establishing a strategic relationship with Tehran.
- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

Mr. McFarlane made clear that a Western dialogue with Iran would be precluded unless Iran was willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages.

On January 9, 1986, the President approved a covert action Finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. In accord with extant statutes, the President directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that the lives of those carrying out the operation (both U.S. and foreign) would not be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted], a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted]

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[redacted] met in Germany. At this meeting, the Iranians agreed that, if the USG would provide TOW weapons to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, funds were deposited in the CIA account in Geneva on February 11, 1986 and on February 14 1,000 TOWs were transported to Israel for pre-positioning. The TOWs were off-loaded and placed in a covert Israeli facility.

On February 19-21, U.S and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

[redacted]

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the

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effort in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on Libya. [redacted] Iranian expatriate told the NSC and CIA officers, who [redacted] The met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

Based on assurances that we could at last meet face-to-face with
top-level Iranian offic   ls, the President authorized
a secret mission to Tel ials, on May .. . Security Advisor
McFarlane, accompanied ran by former Nationa. . . cators,
members of the NSC sta by a CIA annuitant, CIA comm... ----
tors. In order to ens ff, and the Israeli and Iranian inter....
from Israel, coinciden ure operational security, the trip was made
parts for Iranian defe t with the delivery of a pallet of spare
parts). At the specif nsive weapons systems (HAWK spare electronic
documentation [redacted] ic request of the Iranians, alias foreign
was obtained from the CIA.

In the course of the fo
were held with high-lev ur-day (May 25-29) visit, lengthy meetings
contact between the two el Iranian officials, the first direct
McFarlane and his team governments in over six years. Mr.
continuing relationship were able to establish the basis for a
concerns, and intention and clearly articulate our objectives,
first hand the internal s. The group was also able to assess
effect of the war which political dynamic in Tehran and the
Presidentially approved Iran clearly can no longer win. Using
been reviewed and appro Terms of Reference (Tab A), which had
McFarlane emphasized th ved by appropriate Cabinet officers.
hostages, but the contir t our interest in Iran transcended the
group philosophically al ued detention of hostages by a Lebanese
During the visit, Mr. Mc igned with Iran prevented progress.
Farlane made clear:

-- that we fundamental ly opposed Iranian efforts to expel us from the Middle Eas t;

-- that we firmly oppos ed their use of terrorism;

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-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized [illegible] that the original aggressor, Saddam Hussein, must be removed from power in order for the war to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the hostages.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint. On August 3, three pallets (less than ¼ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile subcomponents) arrived in Tehran (from Israel).

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarchy. In mid-August, a private American citizen (MGEN Richard Secord, USAF (Ret.)) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] of a senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian [redacted] was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided intelligence designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. ~~the intelligence~~

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new and Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 [redacted] At this meeting [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment (500 TOW missiles) of these defensive weapons.

Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this was part of the purpose of the Iranian Foreign Minister's visit to Syria. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating; [redacted] On November 2, David Jacobsen was driven to a point near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

& by me

It is now apparent that persistent U.S. efforts to establish contact with Iran have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a highly ~~fabricated~~ merely distorted version of the May 1986 McFarlane mission in his

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November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son-in-law of Ayatollah Montezari, for acts of terrorism and treason has caused further internal conflict. Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hizballah elements. [redacted] Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives. [redacted]

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We believe that the September-October kidnappings of Messers. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact. [redacted] Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapprochement with Iran we are seeking.

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Throughout this process, the USG has acted within the limits of established policy and in compli ance with all U.S. law. The shipment of 2,008 TOWs and 235 H AWK missile parts was undertaken under the provisions of a cover . action Finding. 508 preceded the Fin

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- Sterile overseas bank acc ounts for financial transactions.

-- A secure transhipment po int for the dispatch of U.S. military items from the U.S.

-- Transhipment of militar y items from the U.S. to Israel.

-- Communications and int elligence support for the meetings with Iranian official s and the McFarlane trip to Tehran in May.

-- Cleared meeting si ngs with Iranian officials. tes in Europe for meet...

-- Alias documentatio meetings in Europe n for U.S. and foreign officials for and Tehran.

The weapons and materie way adequate to alter th l provided under this program are in no outcome of the war with e balance of military power nor the [redacted] Iraq. They have, however [redacted] ment to Iranian territor demonstrated the U.S. commit- over the last 18 months ial integrity. Further, U.S. efforts policy: have had tangible results on Iranian

-- The Rafsanjani/Vela #847 passengers (Ju yati intervention on behalf of the TWA ne 1985).

-- Iranian direction th ~~Leave Karachi and~~ Ir at the hijacked Pan Am #73 would ~~could~~ not be secured anian territory if it left Karachi.

yes ?

[redacted]

-- The release of three four ? American and two French hostages.

It should also be noted th at least ? ing, West European nations at the U.S. arms embargo notwithstand- military equipment to Iran have provided $500 million a year in plished with government kn . Most of these transfers were accom- owledge and/or acquiescence.

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All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed or the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

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From Paul Thompson NO DATE

Sept. '85 – arms sent Isr. → Iran, replenished after Finding
apparently 3 shipments
at most, 2000 antitank – (TOWs) in total
some made after Aug. 27, 1986 (when Arms Export Control A
was amended).

[redacted] 500 replenish TOWs to Isreal

DOD → CIA → proprietary (non-CIA) → Isreal → IR

[illegible]
Paul says, total value less than

Dave - CIA - GC

In Jan., Weinberger looked at legal issue & was satisfied.
- so did [redacted] Meese, presumably.

[redacted] Declassified/Released on 10 FEB88
under provisions of E.O. 12356
by [illegible] National Security Council

Re Sept -
note the lang. in Arms Export Control Act & use of term
"would" - would Pres. have approved of
sale by good govt. [redacted] (Isr) to a prohibited
country (Iran).

Is there any significance to fact

5203

The arms transferred were not among the arms that were suspended
per Ex. Order (& which had been previously approved by Cong) & ∴ could
have been sent by Pres if Ex. Ord revoke (even implicitly).

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11/20/86 2000
(Historical Chronology)

U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 - [redacted] (met secretly with Bazargan at the request of the Iranians)

-- October 1979 - [redacted]

-- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West. Yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

EXHIBIT
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Partially Declassified/Released on 5 May [illegible] under provisions of [illegible] [illegible] X2

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-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Ira war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have been engaged in overtures to the U.S. and Iran in an effort to stimulate direct contact between the two countries. [redacted] Turkey have all attempted to serve as interlocutors in this [redacted] However, internal splits and debates made it difficult for the Iranians to respond to their overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In the spring of 1985, a private American citizen (Michael Ledeen) learned from an Israeli government official (David Kimche) that the Israelis had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the Iranian officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

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verbatim McF chrono with word edits

On July 3, 1985, during a visit to Washington, an Israeli official (Kimche) advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high-level dialogue. The Iranians were described as comprising the principal figures of the government (i.e., Speaker of the Majlis Rafsanjani, Prime Minister Musavi, and Khomeini's heir-apparent, Ayatollah Montazeri) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli as to why he found the Iranian proposal credible, given the events of the past six years. The Israeli replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war to more concrete tests of the willingness of the Iranians to take personal risks. He noted that the Iranians had exposed themselves to possible compromise by meeting with Israelis and by passing extremely sensitive intelligence on the situation (and political make-up) within Iran -- information which has proven valid.

The Israeli asked for our position on opening such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This decision was passed to the Israeli diplomat by telephone on July 30.

added by OLN?

added?

On August 2, 1985, the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position to the Iranian intermediary and that the Iranians had responded that they recognized the need for both sides to have tangible evidence of the bona fides of the other and that they believed they could affect the release of the Americans held hostage in Lebanon.

added

According to the Israeli, the Iranians separately stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of U.S. equipment. The Israeli asked for our position on such actions.

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McF Chrono

Mr. McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that, while he could understand that assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible materiel; at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military materiel. This was conveyed to the Israeli.

added

On August 22, 1985, the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the U.S. Government would be to an Israeli transfer of modest quantities of defensive military materiel. McFarlane replied that to him, such an action would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the U.S., but that a problem would arise when ultimately they needed to replace items shipped. He asked whether Israel would be able to purchase replacements for items they chose to ship. McFarlane stated that the issue was not the ability of Israel to purchase military equipment from the U.S. -- they had done so for a generation and would do so in the future -- but rather the issue was whether it was U.S. policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the Director of Central Intelligence). The President stated that, while he could envision providing materiel support to moderate elements in Iran if all the Western hostages were freed, he could not approve any transfer of military materiel at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, Special Emissary of the Archbishop of Canterbury. To this day Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

30 AUG ?. McF Chrono

In late September, we learned that the Israelis had transferred 508 TOW missiles to Iran and that this shipment had taken place in late August. The Israelis told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding, and transportation. After discussing this matter with the President, it was decided not to expose this Israeli delivery because we

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wanted to retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic dialogue with the Iranian government. The total value of the 508 TOWs shipped by Israel was estimated to be less than $2 million.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In mid-November, the Israelis, through a senior officer in the Foreign Minister's office (Kimche), indicated that the Government of Israel was convinced that they were nearing a breakthrough with Iran on a high-level dialogue. The Israeli contacted a U.S. official (North) and asked for the name of a European-based airline which could discreetly transit to Iran for the purpose of delivering passengers and cargo. He specifically noted that neither a U.S. carrier nor an Israeli affiliated carrier could be used. We were assured, at the time, that the Israelis were going to "try oil drilling parts as an incentive," since we had expressed so much displeasure over the earlier TOW shipment. The name of the proprietary [redacted] was passed to the Israeli, who subsequently had the aircraft chartered through normal commercial contract for a flight from Tel Aviv to Tabriz, Iran, on November 25, 1985. The Israelis were unwitting of the CIA's involvement in the airline and the airline was paid at the normal ~~commercial~~ charter rate (approximately $127,700). The airline personel were also unwitting of the cargo they carried.

In January, we learned that the Israelis, responding to urgent entreaties from the Iranians, has used the proprietary aircraft to transport 18 HAWK missiles to Iran in an effort to improve the static air defenses around Tehran. Our belated awareness that the Israeli's had delivered HAWK missiles raised serious U.S. concerns that these deliveries were jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were returned to Israel in February 1986.

On December 7, the President convened a meeting in the White House (residence) to discuss next steps in our efforts to establish direct contact with the Iranians. Attending the meeting were the Chief of Staff, Secretaries of State and Defense, the Deputy Director of Central Intelligence, and the Assistant to the President for National Security Affairs and his Deputy. Immediately after the meeting, Mr. McFarlane departed for London to meet with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane, as instructed by the President, stated that:

-- the U.S. was open to a political dialogue with Iran, but that no such dialogue could make progress for as long as groups seen as dominated by Iran held U.S. hostages; and

-- the U.S. could under no circumstances transfer arms to Iran in exchange for hostages.

McF chrono but in diff'n context

These points were made directly to the Iranian interlocutor. The Iranian replied that, unless his associates in Tehran were strengthened, they could not risk going ahead with the dialogue. Mr. McFarlane acknowledged the position but stated we could not change our position. In a separate meeting with the Israeli official, Mr. McFarlane made clear our strong objections to Israeli weapons shipments to Iran. Following these meetings, Mr. McFarlane returned to Washington and shortly thereafter left active government service.

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. The Israelis urged that we reconsider the issue of providing limited defensive arms to those attempting to take power in Tehran, since all other incentives (economic assistance, medical supplies, machine parts) were of no value in shoring-up those who wanted an opening to the West. Admiral Poindexter noted our stringent objections to the HAWK missile shipments in November and noted that the U.S. would have to act to have them returned (a step undertaken in February, when all 18 missiles were returned to Israel). In that any implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding commenced on January 4.

On January 6, the President, the Vice President, the Chief of Staff, and the National Security Advisor and his assistant reviewed the first draft of the Finding and the recommendations made by the Prime Minister of Israel through his special emissary.

On January 7, the President met in the Oval Office with the Vice President, the Chief of Staff, Secretaries Shultz and Weinberger, Attorney General Meese, Director Casey, and the National Security

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Advisor to discuss the overall situation in Iran and prospects for a strategic dialogue. It was again noted that Mr. McFarlane, on return from his trip to London, had recommended that no further action be taken unless a mechanism could be established by which the U.S. could exert better control over events. He agreed, in principle, with Director Casey that providing limited quantities of defensive arms after the hostages were released still had merit. Both Secretary Shultz and Secretary Weinberger objected to any provision of arms, citing that we could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening our policy of not dealing with states that support terrorism. The President decided that we should attempt to keep the Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing defensive arms to Iran if all the hostages were released.

It was further determined by the President that any dialogue with the Iranians must be aimed at achieving the following goals:

-- Devising a formula for re-establishing a strategic relationship with Tehran.

- Ending the Iran-Iraq War on honorable terms.

- Convincing Iran to cease its support for terrorism and radical subversion.

- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

The President made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages. Secretaries Shultz and Weinberger retained their original position on providing any amrs to Iran, but Attorney General Meese and Director Casey both supported the concept as a valid means of opening the dialogue. Attorney General Meese, noted a 1981 determination by then Attorney General French Smith that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

[redacted]

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On January 16, a meeting was held in the National Security Advisor's office with Secretary Weinberger, Attorney General Meese, Director Casey, and CIA General Counsel Stanley Sporkin. At this meeting, the final draft of the Covert Action Finding was reviewed and was forwarded to the President with Secretary Weinberger dissenting.

On January 17, 1986, the President approved a Covert Action Finding (Tab A) directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The President futher determined that the activities authorized by the Finding justified withholding prior Congressional notification due to the extreme sensitivity of the dialogue being established. He further noted that public knowledge of the program would place the American hostages in Lebanon at greater risk. Noting his concern for the lives of those carrying out the operation (both U.S. and foreign), he directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that those involved would no longer be in jeopardy.

6 On February 5-7, U.S. officials [redacted] met in London. At this meeting, the Iranians agreed that, if the USG would provide defensive weapons (TOWs) to Iran, [redacted] The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, $3.7 million was deposited in the CIA account in Geneva on February 11, 1986 and on February 14, 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft. On the return flight from Iran, these aircraft carried the 18 HAWK missiles which Israel had sent to Tehran in November 1985 with USG aforeknowledge.

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[redacted]

On February 24, U.S. (CIA and NSC) officials met again in Frankfurt with the Israeli and Iranian officials to discuss next steps. At this meeting, the U.S. side urged that the Iranians expedite a meeting among higher-level officials on both sides.

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab B) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of recently seized Israeli hostages.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue

with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on Libya. [redacted]

The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) act urgently to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

On May 16, the Iranians, through the Israelis provided $6.5M for deposit in the CIA secure funding mechanism. The funds were used to acquire 508 TOW missiles (for replenishing the TOWs Israel shipped in September 1985) and acquiring HAWK missile electronic spare parts. This material was subsequently moved to [redacted] repackaged and shipped to Kelly AFB for onward movement to Israel on May 22. As in the February shipment, the CIA provided logistics support for the movement of this materiel to Israel.

In order to ensure operational security, the McFarlane trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare

electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

In the course of the four-day (May 25-28) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan and the Soviet threat to the Gulf) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war

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to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the Western hostages in Lebanon.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, the contact [illegible] Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF (Ret.)) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] the assistance of the C.I.A. this Iranian [redacted] brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided assessments designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The assessments also detailed the Soviet threat to Iran.

C.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the [illegible] was a pre-requisite to any progress. The Iranian [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

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The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] The Iranians have also offered to provide a copy of the 400 page interrogation of Beirut Station Chief William Buckley. At this meeting [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

C. Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating [redacted] On November 2, David Jacobsen was released by [illegible] captors near the old American Embassy compound in [illegible]. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. [illegible]

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montezari, for acts of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their

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loyal to the now imprisoned Mehdi Hashemi. If so, this could be an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the pragmatic faction with which we have been in contact.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 U.S. TOWs and 235 HAWK missile electronic spare parts was undertaken within the provisions of a Covert Action Finding.

During the course of this operation -- and before -- the U.S. was cognizant of only three shipments from Israel to Iran. Specifically:

-- The Israelis acknowledged the August 1985 shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The November 1985 shipment of 18 Israeli HAWK missiles was not an authorized exception to policy. This shipment was retrieved in February 1986 as a consequence of U.S. intervention.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- CIA communications officers and an annuitant to assist in various phases of the operation.

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

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U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 - [redacted] (met secretly with Bazargan at the request of the Iranians)

-- October 1979 - [redacted]

-- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

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Partially Declassified/Released on 9 June 1987
Under provisions of E.O. 12356
by B. Reger, National Security Council

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-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have been engaged in overtures to the U.S. and Iran in an effort to stimulate direct contact between the two countries. [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In the spring of 1985, a private American citizen (Michael Ledeen) learned from an Israeli government official (David Kimche) that the Israelis had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the Iranian officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis [redacted] Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

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In July ~~of~~ 1985, during a visit to Washington, an Israeli official (Kimche) advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high-level dialogue. The Iranians were described as comprising the principal figures of the government (i.e., Speaker of the Majlis Rafsanjani, Prime Minister Musavi, and Khomeini's heir-apparent, Ayatollah Montazeri) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli as to why he found the Iranian proposal credible, given the events of the past six years. The Israeli replied that their exhaustive analysis had gone beyond the surface ~~logic~~ deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks. He noted that the Iranians had exposed themselves to possible compromise by meeting with Israelis and by passing extremely sensitive intelligence on the situation (and political line-up) within Iran -- information which was proven valid.

The Israeli asked for our position on opening such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This decision was passed to the Israeli diplomat.

~~Within days~~ the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position to the Iranian intermediary and that the Iranians had responded that they recognized the need for both sides to have tangible evidence of the bona fides of the other and that they believed they could affect the release of the Americans held hostage in Lebanon.

According to the Israeli, the Iranians separately stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of U.S. equipment. The Israeli asked for our position on such actions.

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Mr. McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that, while he could understand that assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible materiel; at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military materiel. This was conveyed to the Israeli.

On August 22, 1985, the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the U.S. Government would be to an Israeli transfer of modest quantities of defensive military materiel. McFarlane replied that to him, such an action would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the U.S., but that a problem would arise when ultimately they needed to replace items shipped. He asked whether Israel would be able to purchase replacements for items they chose to ship. McFarlane stated that the issue was not the ability of Israel to purchase military equipment from the U.S. -- they had done so for a generation and would do so in the future -- but rather the issue was whether it was U.S. policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the Director of Central Intelligence). The President stated that, while he could envision providing materiel support to moderate elements in Iran if all the Western hostages were freed, he could not approve any transfer of military materiel at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

In late September, we learned that the Israelis had transferred 508 TOW missiles to Iran and that this shipment had taken place in late August. The Israelis told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding, and transportation. After discussing this matter with the President, it was decided not to expose this Israeli delivery because:

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-- We wanted to retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic dialogue with the Iranian government.

-- The total value of the 508 TOWs shipped by Israel was less than $2 million and, therefore, below the threshold requiring a report of military equipment transfers under the Arms Export Control Act.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, an aircraft owned by a CIA proprietary airline was chartered through normal commercial contract to carry cargo from Israel. It was subsequently determined that the Israelis, responding to urgent entreaties from the Iranians, used the aircraft to transport 18 HAWK missiles to Iran in an effort to improve the static air defenses around Tehran. The Israelis were unwitting of the CIA's involvement in the airline and the airline was paid at the normal commercial rate (approximately $127,700). The airline personel were also unwitting of the cargo they carried. The Israeli delivery of HAWK missiles raised serious U.S. concerns that these deliveries were jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were subsequently returned to Israel in February 1986.

On December 7, the President convened a meeting in the White House (residence) to discuss next steps in our efforts to establish direct contact with the Iranians. Attending the meeting were the Chief of Staff, Secretaries of State and Defense, the Deputy Director of Central Intelligence, and the Assistant to the President for National Security Affairs and his Deputy. Immediately after the meeting, Mr. McFarlane departed for London to meet with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane, as instructed by the President, stated that:

-- the U.S. was open to a political dialogue with Iran, but that no such dialogue could make progress for as long as groups seen as dominated by Iran held U.S. hostages; and

-- the U.S. could under no circumstances transfer arms to Iran in exchange for hostages.

These points were made directly to the Iranian interlocutor. The Iranian replied that, unless his associates in Tehran were strengthened, they could not risk going ahead with the dialogue. Mr. McFarlane acknowledged the position but stated we could not change our position. In a separate meeting with the Israeli official, Mr. McFarlane made clear our strong objections to the Israeli shipment of the HAWK missiles and noted that the U.S. would have to act to have them returned (a step undertaken in February, when all 18 missiles were returned to Israel). Following these meetings, Mr. McFarlane returned to Washington and shortly thereafter left active government service.

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. The Israelis urged that we reconsider the issue of providing limited defensive arms to those attempting to take power in Tehran, since all other incentives (economic assistance, medical supplies, machine parts) were of no value in shoring-up those who wanted an opening to the West. In that any implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding commenced on January 4.

On January 6, the President, the Vice President, the Chief of Staff, and the National Security Advisor and his assistant reviewed the first draft of the Finding and the recommendations made by the Prime Minister of Israel through his special emissary.

On January 7, the President met in the Oval Office with the Vice President, the Chief of Staff, Secretaries Shultz and Weinberger, Attorney General Meese, Director Casey, and the National Security Advisor to discuss the overall situation in Iran and prospects for a strategic dialogue. It was again noted that Mr. McFarlane, on return from his trip to London, had recommended that no further action be taken unless a mechanism could be established by which the U.S. could exert better control over events. He agreed, in principle, with Director Casey that providing limited quantities of defensive arms after the hostages were released still had merit. Both Secretary Shultz and Secretary Weinberger

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objected to any provision of arms, citing that we could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening our policy of not dealing with states that support terrorism. The President decided that we should attempt to keep the Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing defensive arms to Iran if all the hostages were released.

It was further determined by the President that any dialogue with the Iranians must be aimed at achieving the following goals:

- Devising a formula for re-establishing a strategic relationship with Tehran.
- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

The President made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages. Secretaries Shultz and Weinberger retained their original position on providing any amrs to Iran, but Attorney General Meese and Director Casey both supported the concept as a valid means of opening the dialogue. Attorney General Meese noted a 1981 determination by then Attorney General French Smith that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

[redacted]

On January 16, a meeting was held in the National Security Advisor's office with Secretary Weinberger, Attorney General Meese, Director Casey, and CIA General Counsel Stanley Sporkin. At this meeting, the final draft of the Covert Action Finding was reviewed and was forwarded to the President with Secretary Weinberger dissenting.

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On January 17, 1986, the President approved a Covert Action Finding (Tab A) directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The President futher determined that the activities authorized by the Finding justified withholding prior Congressional notification due to the extreme sensitivity of the dialogue being established. He further noted that public knowledge of the program would place the American hostages in Lebanon at greater risk. Noting his concern for the lives of those carrying out the operation (both U.S. and foreign), he directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that those involved would no longer be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted] a representative of the Israeli Prime Ministry [redacted], and a senior-level Iranian official [redacted] met in London. At this meeting, the Iranians agreed that, ~~if~~ the USG would provide defensive weapons (TOWs) to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, funds were deposited in the CIA account in Geneva on February 11, 1986 and on February 14 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide

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On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft. On the return flight from Iran, these aircraft carried the 18 HAWK missiles which Israel had sent to Tehran in November 1985 with USG aforeknowledge.

[redacted]

On February 24, U.S. (CIA and NSC) officials met again in Frankfurt with the Israeli and Iranian officials to discuss next steps. At this meeting, the U.S. side urged that the Iranians expedite a meeting among higher-level officials on both sides.

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab B) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of recently seized Israeli hostages.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue

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[redacted]

The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death.

[redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) take immediate steps to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors.

On May 16, the Iranians, through the Israelis provided $6.5M for deposit in the CIA secure funding mechanism. The funds were used to acquire 508 TOW missiles (for replenishing the TOWs Israel shipped in September 1985) and acquiring HAWK missile electronic spare parts. This material was subsequently moved t[redacted] [redacted] repackaged and shipped to Kelly AFB for onward movement to Israel on May 22. As in the February shipment, the CIA provided logistics support for the movement of this materiel to Israel.

In order to ensure operational security, the McFarlane trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

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electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

In the course of the four-day (May 25-28) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East:

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan and the Soviet threat to the Gulf) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war

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On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran mad guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF (Ret.)) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] ralativ[redacted] senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian [redacted] was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided ~~intelligence~~ designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The ~~intelligence~~ also detailed the Soviet threat to Iran.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] The Iranians have also offered to provide a copy of the 400 page interrogation of Beirut Station Chief William Buckley. At this meeting, [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

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Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating. [redacted] On November 2, David Jacobsen was released by his captors near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montezari, for acts of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hizballah elements. [redacted]

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On November 7, the day after a meeting with U.S. officials, Iranian government authorities arrested six other individuals involved in radical activities. Among the two were senior military officers and a Majlis deputy (Ahmad Kashani), the grandson of Ayatollah Kashani, a conspirator in the 1949 attempt against the Shah.

Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives. [redacted] the two principal Iranian contacts continue to communicate with the U.S. [redacted] the Iranians still intend to deliver the T-72 tank [redacted] "positive statement" will be made in the near future by Rafsanjani. [redacted] Both [redacted] have warned that further disclosures could harm them personally and the longer-term interests of the two countries.

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We do not know who seized the last three American hostages in Beirut (Messrs. Reed, Cicippio, and Tracy). The Islamic Jihad Organization (IJO) has disclaimed responsibility -- as have our Iranian interlocutors. [redacted] It is possible that these three Americans were kidnapped at the direction of Iranian radicals loyal to the now imprisoned Mehdi Hashemi. If so, this could be an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the pragmatic faction with which we have been in contact.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 U.S. TOWs and 235 HAWK missile electronic spare parts was undertaken within the provisions of a Covert Action Finding.

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During the course of this operation -- and before -- the U.S. was cognisant of only ~~two~~ 4 shipments from Israel to Iran. Specifically

-- The Israelis acknowledged the August 1985 shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The November 1985 shipment of 18 Israeli HAWK missiles was not an authorized exception to policy. This shipment was retrieved in February 1986 as a consequence of U.S. intervention.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- ~~Alias~~ documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program were judged to be inadequate to alter either the balance of military power or the outcome of the war with Iraq. They have, however, demonstrated the U.S. commitment to Iranian territorial integrity and served to support those in Iran interested in opening a strategic relationship with the U.S. U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 would not be received in Iranian territory if it left Karachi.

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-- [redacted]

-- The release of three American and at least two French hostages.

-- The initiation of an Iranian dialogue with their regional neighbors.

-- Continued delay in the Iranian "final offensive."

Finally, it must also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

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DEPOSITION EXHIBIT
CJC-26
6-23 87

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

1985	
Jan :	Michael Ledeen suggested to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar was introduced to Ledeen and the NSC as an Iranian intermediary.
Feb 14:	Jeremy Levin escaped.
Jun 14:	TWA-847 hijacking. Iranian government officials, contacted by Israelis and Ghorbanifar, help in obtaining the release of four Americans held separately from the rest of the hijacked passengers. Last known instance of Iranian influenced group perpetrating terrorism against U.S. nationals.
Jun :	Draft NSDD on Iran circulated to principals.
Aug 22:	David Kimche met with Bud McFarlane in Washington.
Aug 30:	508 TOW missiles delivered to Iran from Israel.
Sep 01:	[redacted]
Sep 14:	Reverend Benjamin Weir released.
Oct 04:	Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.
Nov 17-18:	Separate meetings in London with Ghorbanifar and Waite.
Nov 24:	Israel delivered 18 HAWK missiles to Iran [redacted]
Dec 06-08:	Meeting in London with McFarlane and Ghorbanifar.
Dec 20:	Hostage Location Task Force (HLTF) formed at CIA.
Dec 22:	Ghorbanifar to U.S. for talks with U.S. officials.
Dec 23:	Nir became primary Israeli POC.

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Partially Declassified/Released on [illegible] 87
under provisions of E.O. 12356
by B. Reger, National Security Council

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1986

Jan 17:	Presidential Finding on Iran.
Feb 05-07:	Meetings in Geneva with Nir and Ghorbanifar (CIA and NSC).
Feb 14:	U.S. delivers 1,000 TOWs to Israel.
Feb 19-21:	Meetings in London and Frankfurt (Ghorbanifar [redacted] [redacted]
Feb 20-21:	1,000 TOWs delivered to Tehran from Israel.
Late Feb:	18 HAWK missiles returned to Israel.
Apr 17:	U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.
Apr 22:	Ghorbanifar arrested in Switzerland for indebtness apparently related to the FBI sting of arms sales to Iran by private citizens from the U.S., Germany, and Israel.
May 09:	Planning meeting at CIA (DDO and NSC personnel).
May 15:	Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives: -- Establish a correct relationship with Iran. -- End Iran-Iraq war. -- Return U.S. hostages.
May 22-28:	Meetings in London [redacted] Cyprus [redacted] and Tel Aviv (Nir and Rabin).
May 23:	U.S. delivers 508 TOWs to Israel (replacements).
May 24:	[redacted]
May 25-27:	McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
Jun 10:	Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
Jun 30-Jul 02:	Ghorbanifar in U.S. for discussions with CIA and NSC.

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Jul 26-28:	Meetings in Frankfurt (Ghorbanifar, Nir, NSC, and CIA).
Jul 26:	Father Jenco released.
Aug 03:	Remainder of 240 HAWK missile parts delivered to Tehran.
Aug 06:	Frankfurt meetings.
Aug 10:	Initial contacts with [redacted] in Madrid and London.
Sep 19-20:	Discussions in Washington with new Iranian intermediary (NSC and CIA).
Sep 22-23:	Meetings in London (CIA, NSC with Nir).
Oct 03:	White House approves provision of intelligence to Iran [redacted]
Oct 05-07:	Frankfurt meetings (CIA, NSC, [redacted]
Oct 26-28:	Frankfurt (Mainz) meetings of U.S. and Iranian representatives (CIA, NSC, Israeli rep (Nir), [redacted]
Oct 29:	500 TOW missiles delivered to Iran from Israel.
Nov 02:	David Jacobsen released.
Nov 05-07:	Meetings in Geneva with [redacted] (NSC and CIA).
Nov 07:	500 TOW missiles delivered to Israel (replacements).

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DEPOSITION EXHIBIT
CJC #10
6-22-87

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FILE 2 [redacted] AS WHITE HOUSE COMMUNICATIONS AGENCY

[redacted]

[redacted]

[redacted]

[redacted]

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MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 11/20/85 21:27:39
To: NSJMP --CPUA

*** Reply to note of 08/31/85 11:26

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Wrap Up as of 2030 EST.
The Israelis will deliver 80 Hawk missiles [redacted] at noon on Friday 22 Nov.
These 80 will be loaded aboard three chartered aircraft, owned by a proprietary
which will take off at two hour intervals for Tabriz. The aircraft will
file for overflight through the [redacted] FIR enroute to Tabriz from [redacted].
Appropriate arrangements have been made with the proper [redacted] air control

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personnel. Once the aircraft have been launched, their departure will be confirmed by [redacted] who will call [redacted] who will call [redacted] [redacted] who will direct [redacted] in Beirut to collect the five AMCITS from Hizballah and deliver them to the U.S. Embassy. There is also the possibility that they will hand over the French hostage who is very ill.

There is a requirement for 40 additional weaps of the same nomenclature for a total requirement of 120. $10M in payment for the first 80 has been deposited in the appropriate account. No acft will land in Tabriz until the AMCITS have been delivered to the embassy. The Iranians have also asked to order additional items in the future and have been told that they will be considered after this activity has succeeded. All transfer arrangements have been made by Dick Secord, who deserves a medal for his extraordinary short notice efforts.

Replenishment arrangements are being made through the DOD purchasing office in DC. There is, to say the least, considerable anxiety that we will somehow delay on their plan to purchase 120 of these weapons in the next few days. IAW your instructions I have told their agent that we will sell them 120 items at a price that they can meet. I have further told them that we will make no effort to move on their purchase [illegible] request until we have all five AMCITS safely delivered. In short, the pressure is on them.

Tomorrow we will dispatch a covert hostage debrief team to Wiesbaden, under cover of an exercise. [redacted] [illegible] for four-hour alert to pick up any hostages who may be released over the weekend. All of the parties above will be told that we have info from the same source which advised us of Weir's release that some, if not all, AMCIT hostages will be turned over [redacted] between now and Sunday.

As soon as we have the release confirmed, we need to move quickly with Defense to provide the 120 missiles the Israelis want to buy. They are very concerned that they are degrading their defense capability, and in view of the Syrian shoot-down yesterday the PM has placed considerable pressure on both Rabin and Kimche for very prompt replacement. Both called several times today.

There is the distinct possibility that at the end of the week we will have five Americans home and the promise of no future hostage takings in exchange for selling the Israelis 120 Hawk missiles. Despite the difficulty of making all this fit inside a 72-hour window, it isn't that bad a deal -- [redacted] Warm regards.
Recommend pass to [illegible] after review. North.

J PRIVATE BLANK CHECK
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 11/20/85 21:28:19
To: NSJMP --CPUA

*** Reply to note of 11/19/85 19:09

-- SECRET --

NOTE FROM: OLIVER NORTH
Subject: Central Am Icon Brief
This has been fixed. Charlie was not notified by the CIA legislative affairs &

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DEPOSITION
EXHIBIT
CJC #11
6-22-87

[redacted]: [illegible] --CPUA 11/22/85 09:37:05

*** Reply to note of 11/21/85 13:26

— SECRET —

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Status Report as of 1730:

5205

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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N 12092

[redacted]

Secord , and the Charge continue to seek clearance for A/C from Israel which can load and proceed. Despite the difficulties of the past 24 hours, all continue to believe that if DCM can get thru to that this can be done.

We continue to explore three options:

-- Chartering a new A/C to pick up the cargo in Tel Aviv (TA) and deliver it to for xfer to the three Chartered DC-8s for the flight to Tabriz (T).

-- Fly the 3 chartered A/C direct to TA, p/u the cargo, fly to ( ) refile for T from

-- Fly the three chartered A/C directly to TA, load cargo, proceed directly to T w/o filing until airborne and in FIR.

All continue to [redacted] (including Kimche [redacted] [redacted] now is only realistic solution. Other options compromise origin and risk eventual uncovering of many operational details. Kimche urges that solution be found no matter this weekend to protect hostages and [redacted] who will deliver them. [redacted]

UPDATE AS OF 1930:

CIA contacted at 1730. has agreed to have A/C fly to TA load at . Dewey has arranged for a proprietary to work for Secord (Copp). Copp will charter two 707s in the name of [illegible] Co.) and have them p/u the cargo and deliver it to . At the cargo will be xfered to the three Israeli chartered DC-8/55s for the flight to T. Though I am sure Copp suspects, he does not know that the 707s belong to a proprietary. Clarridge deserves a medal - - so does Copp.

Kimche (DDG) has been told how screwed up his people are in planning something like this on such short notice. Not only was the 747 they planned to use a national airlines a/c, but they only had it chartered for 24hrs. We have now taken charge of that phase of the operation and are making direct contact to obtain flight clearance for the three DC-8s chartered by DD's before . If all goes as we now hope, the cargo will be in by noon (local) and enroute to T shortly after dark. That means we can expect hostages (hopefully) Saturday night.

UPDATE AS OF 2300:

Unbelievable as it may seem, I have just talked to Schwimmer, in TA who advises that they have released their DC-8s in spite of my call to DD instructing that they be put on hold until we could iron out the clearance problem in ( ) Schwimmer released them to save $ and now does not think that they can be re-chartered before Monday.

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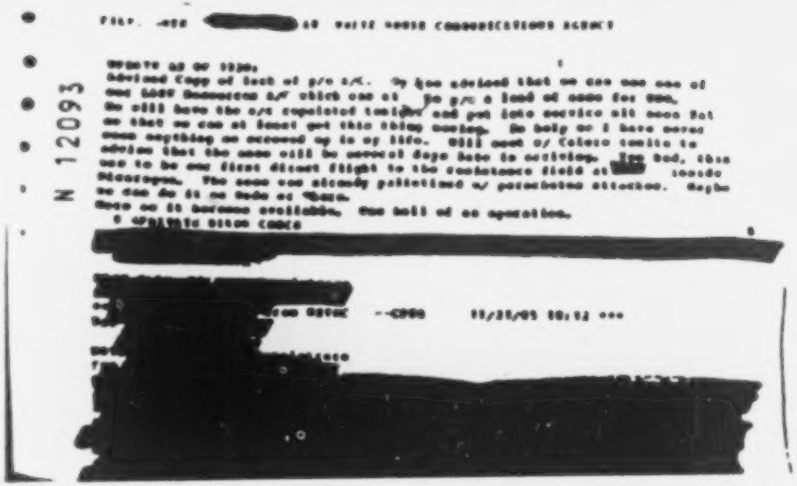

FILE: ... [redacted] AT WHITE HOUSE COMMUNICATIONS AGENCY   PAGE 0[illegible]

UPDATE AS OF 1330:
Advised Copp of lack of p/u a/c. He has advised that we can use one of
the LADF [illegible] A/C which can at... to p/u a load of ammo for him.
He will have the a/c completed tonight and put into service all [illegible] but
so that we can at least get this thing moving. So help me I have never
seen anything so screwed up in my life. Will meet w/ Calero tonite to
advise that the ammo will be several days late in arriving. Too bad, this
was to be our first direct flight to the resistance field at [redacted] inside
Nicaragua. The ammo was already palletized w/ parachute attached. Maybe
we can do it on Weds or Thurs.
More as it becomes available. One hell of an operation.
[illegible]

[redacted]

[illegible] --[illegible]   11/23/85 10:12 ***

[redacted]

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EXHIBIT
DRC-9

From NSOLN --CPUA
To NSJMP --CPUA

Date and time [illegible] 02:55

NOV 29 [illegible] 9908

*** Reply to note of 08/31/85 13 26

-- ~~SECRET~~ --

NOTE FROM OLIVER NORTH
Subject PRIVATE BLANK CHECK
Subject Current Status of Operation Recovery. Following summary is based on discussions in Geneva among Kimche, Copp, Gorbanifahr and [redacted] which were concluded this weekend, subsequent discussions with Mendy Meron here in Washington which are continuing, and calls btwn Copp and Kimche's asset (Nimrodi) who is "baby sitting" the Iranians in Paris (where they are are receiving guidance from Tehran).

The attempted transfer [redacted] of 18 Hawk missiles went awry because the Iranians were in fact seeking a weapons system that would be capable of stopping Soviet reconnaissance flights along the Iranian/Soviet border and on the Iranian/Iraqi border. Gorba rptd that these flights occur regularly and as deep as 40mi inside Iranian airspace. Because Schwimmer and Ledeen were unfamiliar with the operational parameters of the HAWK, they agreed to ship 120 weapons that were totally inadequate to meet the rqmts established by the Iranians. This delivery has created an atmosphere of extraordinary distrust on the part of the Iranians; in Kimche's view, because the credibility of the Gorba/[redacted] mission has probably been seriously called into question.

Despite this perception (Gorba said numerous times that this whole thing was a "cheating game" on the part of the Israelis), Copp & Kimche have been able to proceed with a renewed dialogue which still promises hope for achieving our three objectives
-- support for a pragmatic - army oriented faction which could take over
  in a change of government
-- return of the five AMCIT hostages
-- no more terrorism directed against U.S. personnel or interests.

From these ongoing discussions, which in two cases included Iranian military officers, Copp and Kimche conclude that the military situation in Iran is desperate. The Iranian descriptions of the state of their equipment, lack of competent management, inability to use much of the remaining U.S. materiel portends the real possibility of a military collapse (at least by the Army) in the near to mid-term. Thus, there is considerable pressure on the interlocutors in Europe to produce - quickly.

Given the relatively low level of competence on the part of the Iranians in Europe, and the fact that any supplies delivered will undoubtedly have to be examined by an Army or Air Force officer, it is very doubtful that a "single transaction" arrangement can be worked out with the parties in Tehran, no matter what is agreed to in Europe. In short, they have been "scammed" so many times in the past that the attitude of distrust is very high on their part. At the same time, in all discussions (including today's phone calls) they are desperate to conclude some kind of arrangement in the next 10 days and have even asked that the meeting scheduled for Saturday in London be advanced. Based on what we can conclude [redacted] we believe that they are very concerned that the hostages (the only Iranian leverage point besides the Jews in Iran) may be killed or captured/released by the Syrians, Druze, Phalange or Amal in the near future. Waite's contacts with the captors seems to corroborate this assessment. In short,

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Declassified/Released on 12 Aug 1987
under provisions of E.O. 12356
B. Reger, National Security Council

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time is very short for all parties concerned

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Finally, there is the matter of the longer term strategy for what we should be attempting to accomplish viz a viz the Iran-Iraq war and a more reasonable government in Iran. From my personal discussions with Kimche and Meron it is apparent the the Israelis want the war to continue at a stalemate, a more moderate Iranian government in the end and will somehow find a way to continue getting their people (Jews) out of Iran through some kind of barter arrangement. In that the first two of their goals are, it would seem, generally congruent w/ our interests, and their last a fact of life, we should probably be seeing the return of the AMCIT hostages as a subsidiary benefit -- not the primary objective, though it may be a part of the necessary first steps in achieving the broader objectives. While Kimche, Meron, Copp and I all agree that there is a high degree of risk in pursuing the course we have started, we are now so far down the road that stopping what has been started could have even more serious repercussions. We all view the next steps as "confidence building" on the part of both sides. None of us have any illusions about the cast of characters we are dealing with on the other side. They are a primitive, unsophisticated group who are extraordinarily distrustful of the West in general and the Israelis/U.S. in particular. They have not the slightest idea of what is going on in our government or how our system works. Today for example, Gorba called Copp in absolute confusion over the fact that Rafsanjani had just received a letter from (of all people) Sen. Helms regarding the American Hostages. Since the Iranians are adamant that they not be publicly connected with the seizure, holding or release of the AMCITs, why, Gorba wanted to know, was Helms being brought into this "solution to the puzzle." Gorba reiterated that "Batri ought to have more control over the members of his parliment" than to allow them to confuse an already difficult problem. Dick told him the letter had nothing to do with what we are about, but Gorba did not seem convinced that this wasn't some sort of effort to embarass Iran.

Given this very unsophisticated view of things on their part and the distrust that the Iranians obviously feel, we believe that if we stop the current effort at this point and do not at least proceed with a "test" of the current relationship we

-- run the risk of never being able to establish a "foothold" for the longer term goals in that the people we are dealing with will be totally discredited at home, and
-- incur the greater likelihood of reprisals against us for "leading them on." These reprisals could take the form of additional hostage seizures, execution of some/all of those now held, or both.

While the threat to carry out sanctions against us has not, to my knowledge, ever arisen (it certainly has not since Kimche/Copp/North have been directly engaged -- and Michael never mentioned it), it is interesting to note that when Copp questioned the bona fides of Gorba and his cohorts as capable of delivering on their end of the arrangement, Gorba carefully noted that since these discussions began w/ Michael & Schwimmer, there has not been a single Islamic Jihad bomb threat, hijacking or kidnapping -- and that there would be none if this "worked." O.K., Copp and I regard this to be at least one sign of confidence that this activity may yet prosper. There are some lesser indications of confidence in recent days:

-- in response to Copp's demand for funds to be deposited in advance to defray operational costs, and what the Iranians were told were "purchases" on the arms market" a total of $41M has been deposited.
-- the 18 HAWKs delivered last week have been repackaged and are ready for return to origin on the next available flight;
-- the parties in Europe continue to stress that their requirements are long-term and that they are anxious to get on with a longer range program

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of Israeli originated support which would include technical assistance w/ sophisticated hardware which is critically needed but deadlined (in this regard Gorba at one point noted that at times they have as few as 50 operational tanks and less than a dozen flyable aircraft).

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With all of the above as a lengthy preamble describing two nearly frantic weeks w/ the Israelis & Iranians, the following proposal has evolved which the Iranians today said they wd like to discuss in detail on Saturday:

-- The total "package" from the Israelis wd consist of 50 I HAWKs w/ PIP (product improvement package) and 3300 basic TOWs.
-- Deliveries wd commence on or about 12 December as follows:

H-hr	1 707 w/300 TOWs = 1 AMCIT
H+10hrs	1 707 (same A/C) w/300 TOWs = 1 AMCIT
H+16hrs	1 747 w/50 HAWKs & 400 TOWs = 2 AMCITs
H+20hrs	1 707 w/300 TOWs = 1 AMCIT
H+24hrs	1 747 w/2000 TOWs = French Hostage

3300

All involved on our side recognize that this does not meet one of the basic criteria established at the opening of this venture: a single transaction which wd be preceded by a release of the hostages. However, given the points above regarding the mutual distrust in the dialogue, we all believe it is about the only way we can get the overall process moving. Measures have been taken to reduce the chance for duplicity on the part of the Iranians and to preserve a measure of OPSEC in carrying out the transaction. In the case of a double cross, one of the Iranians will be in the hands of assets we control throughout. One of them [redacted] has already suffered a serious (though apparently not fatal) heart attack after last week's HAWK transaction failed to produce results. The first two deliveries, via 707 freighters are relatively small and if they do not produce the desired outcomes, all else stops. All 8 are now under our control.

OpSEC concerns are threefold: communications, deliveries enroute to Iran and replenishment of the Israeli stocks. To solve the first problem an OPs Code is now in use by all parties. This code is similar to the one used to oversee deliveries to the Nicaraguan Resistance and has never been compromised. The delivery/flight planning security problem has been solved by a much more deliberate selection of aircraft and aircrews as well as a series of transient airfields which can be used enroute to the field controlled by the Iranian Army at Tabriz. Appropriate arrangements have also been made to ensure that the overflight of [redacted] is not challenged. All A/C will be inspected by one of the Iranians at a transient location between Tel Aviv and Tabriz. Before the A/C actually crosses into Iranian airspace, the appropriate release(s) must occur. The last OPSEC concern, that of replenishing Israeli stocks, is probably the most delicate issue. The quantity of TOWs requested represents [redacted] Meron and I are working w/ the Israeli purchasing office in NYC to ensure that the replenishment can be accomplished quickly after December 12 as possible. All recognize that quantities [redacted] degrade Israeli readiness and that the items will need to be dispatched quickly in order to preclude disaffection and leaks. Meron has solved at least one of the problems in this regard by identifying a means of transferring the required cash to an IDF account which will allow cash (rather than FMS credit) purchases from the U.S.

In order to put this plan into action, Kimche, Copp, Schwimmer and Goode plan to meet in London on Saturday morning to review all arrangements. If

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we are satisfied that all our assets (money, aircraft, aircrews, transit facilities, overflight arrangements and military equipment) are prepared. Copp and Kimche will meet at another hotel with Gorba and [redacted] to finalize the plan. Our side will then reconvene later in the evening at our hotel to review any last minute changes. I wd then call you (using the Ops code), transmit the agreed upon arrangements for approval and, if you concur, Kimche & Copp will meet again w/ the Iranians on Sunday a.m. to express our agreement with the plan. Copp & Goode wd return to the U.S. Sunday p.m. on separate flights. On the 11th, the day before the plan is to be executed, Copp will establish a CP in [redacted] at the [redacted] controlled airfield [redacted] where he can monitor implementation and stop it at any point we desire. The secondary fields [redacted] will be covered by Copp controlled assets who are not witting of the true origin, destination or contents of the A/C but who can "fix" things in a hurry if something goes wrong. One of our other people will be in contact in [redacted] throughout.

N 9911

[redacted]

Once in hand, the hostages will be flown [redacted] to Larnaca on our Navy HH-53 where they will be picked up by a EUCOM C-141 and flown to Wiesbaden for debriefing. 10hrs later Oakley will proceed from Andrews AFB to Wiesbaded with family members -- thus allowing us 24 uninterrupted hours for debriefing. The debrief team will be staged at Wiesbaden 12 hours in advance, just as we did two weeks ago without notariety. Dewey is the only other person fully witting of this entire plan. Copp is not briefed on [redacted] though he suspects. The Israelis are in the same position. Dewey and I have been through the whole concept twice looking for holes and can find little that can be done to improve it given the "trust factor" with the Iranians. In that all parties involved have great interest in keeping this as quiet as possible, [redacted] we beleive it to be worth the risk. I have not confided in Dewey re the longer term goals we could/should hope to achieve. Thus, the only parties fully aware of all dimensions of what we are about are you and RCM.

I have given careful consideration to what you suggested re an RCM meeting with the Iranians in an effort to obtain release of the hostages before starting on an effort to undo the present regieme in Tehran. Like you and Bud, I find the idea of bartering over the lives of these poor men repugnant. Nonetheless, I believe that we are, at this point, barring unforseen developments in London or Tel Aviv, too far along with the Iranians to risk turning back now. If we do not at least make one more try at this point, we stand a good chance of condemning some or all to death and a renewed wave of Islamic Jihad terrorism. While the risks of proceeding are significant, the risks of not trying one last time are even greater.

END OF NOTE

L23 C30

From: NSOLN --CPUA
Date and time 12/04/85 02 02 55
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Subject: Current Status of Operation Recovery: Following summary is

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EXHIBIT DRC-9

20 Nov 86
20 Nov 86.

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Testimony
21 November 1986

Throughout the Reagan Administration, both the national security community and the intelligence community have been keenly aware and constantly concerned about the geopolitical position and the strategic significance of Iran. Much thought and effort has been devoted to how we might develop contacts and relationships which would provide a better understanding of what is happening there and ~~establish contacts and relationships~~ and which might lead to improved relationships later on.

I recall speaking to [redacted] about the importance of our identifying and establishing contact with leaders in a future Iran. [redacted] said that we do not know who will emerge to lead Iran in the future, but that we must gather all the strands and hold them in our hands so that we will be ready. [redacted]

In the late fall of 1985, Bud McFarlane, after ~~a~~ one of the weekly meetings which he and his deputy had with me and my deputy, asked me to stay behind. He told me about discussions he had had at the highest levels in Israel urging the desirability of discussions with officials in Iran and offering channels of access. He told me that such – [illegible] I distinctly recall McFarlane emphasizing that the purpose of such discussions would be the future relationships with Iran and its great importance in the East-West and Middle East-Persian Gulf equation. The Israelis wanted to put us in touch with an Iranian expatriate. The Israelis said they had checked out this man's background and contacts exhaustively and had high confidence in the quality of his relationship with high Iranian officials.

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Partially Declassified/Released on 23 Jul 1987
Under provisions of E.O. 12356
by S. Reger, National Security Council

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McFarlane had been told that at the time of the TWA 747 hijacking in 1985, the Israelis had asked this Iranian expatriate to use his influence with senior Iranian officials to obtain the release of some of the hijacked passengers. Just two days later, four Americans who had been taken from the plane separated from the bulk of the hijacked passengers were freed and turned over to Syrian authorities. The Speaker of the Majlis, Rafsanjani, ~~was~~ had been traveling in the Middle East at the time with Iranian Foreign Minister Velayati and were believed to have intervened with the captors to release the four Americans. Rafsanjani, in a speech on 4 November 1986 (~~check year~~), for the first time publicly acknowledged his role in securing the freedom of the hijacked passengers.

In late November 1985, the NSC asked our officers to recommend a charter airline, the reliability of which we could vouch for, to carry some cargo from Tel Aviv into Iran. Our [redacted] was told that there was some urgency about this in connection with a meeting in Geneva between an Iranian official, the expatriate intermediary, and private U.S. citizens. Our [redacted] recommended a proprietary of theirs called [redacted] This little airline regularly took on commercial ventures ~~and we~~ did not know what was being moved. When the plane got to Tel Aviv, the pilots were told the cargo was spare parts for the oil fields and was to go into Tabriz. Our [redacted] decided that in order to protect the plane, our [redacted] should be asked to get flight clearances into Iran. On 25 November 1985, the plane dropped the cargo in Tehran without knowing what it was. The Israelis were unwitting that the plane was a CIA proprietary and the airline charged the normal commercial rate which was approximately $127 thousand ~~million~~. Our Associate Deputy Director for Operations authorized the flight because of the alleged

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urgency of the requirement, He ~~but in consultation~~ ~~and~~ with When the Deputy Director was consul it was decided that we would not provide any future support of flights into Iran in the absence of a finding.

We didn't learn until sometime in January 1986 that the shipment involved 18 air defense missiles and that it was later rejected by the Iranians on the basis that it was not what the Iranians had ordered from the Israelis. In this affair, our air proprietary had been made available to accommodate a delivery requirement in which the NSC was interested and the shipment was billed and paid for at the normal rates charged by our air proprietary.

In the meantime, the policy of probing the possibility of discussions with Iranian officials, including small shipments of arms to establish our good faith and to induce them to use their influence with those holding our hostages, was discussed at one or two meetings of the NSPG principals. There were differences of view about the desirability of this policy, but it was finally decided that it should be cautiously pursued.

On 6-8 December 1985, Bud McFarlane, then National Security Advisor, met in London with the Israeli officials and the Iranian expatriate. At this meeting, Mr. McFarlane stated our goals of pursuing the relationship with Iran were these:

- -- Devising a formula for reestablishing a strategic relationship with Tehran.
- -- Ending the Iran-Iraq War on honorable terms.
- -- Convincing Iran to cease its support for terrorism.
- -- Helping ensure the territorial integrity of Iran and coordinating ways to counter Soviet activities in the region.

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Mr. McFarlane made clear that in this relationship we would expect Iran to use its influence to achieve the release of Western hostages in Lebanon. He also made it clear that we could not and would not engage in trading arms for hostages.

On 17 January 1986, a Presidential Finding was signed directing the CIA to provide operational and logistical support for a program aimed at (1) establishing a more moderate government in Iran, (2) obtaining intelligence to determine the current Iranian government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of American hostages held in Beirut and preventing further terrorist acts by these groups.

The Finding stated that the USG will provide moderate elements within the government of Iran with arms equipment and related material in order to enhance the credibility of these elements in their efforts to achieve a more moderate government in Iran by demonstrating their ability to obtain resources to defend their country.

In the Finding, the President directed the CIA to refrain from reporting the Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until otherwise directed.

At the time the Presidential Finding was signed, the CIA's Office of General Counsel provided the legal opinion that the President clearly has the authority to withhold prior notice of operations from the Congress. Section 501 of the National Security Act expressly provides that notification of intelligence activities to the Congress shall be provided "to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution."

The Act also states that the Intelligence Committees be informed of activities for which no prior notice was given at the appropriate time as determined by the President. This was a clear recognition that extraordinary circumstances could lead the President to conclude that notice of an operation should be withheld, in whole or in part.

The history to the Oversight Act shows that an accommodation recognizing both the President's constitutional responsibility and authority and the Congressional oversight responsibility and authority was reached in this legislative process. The subsequent procedures agreed upon by the DCI and the SSCI on reporting covert action operations provide that advance reporting of such operations would also be subject to the exceptional circumstances contemplated in Section 501 of the National Security Act.

The President determined that the activities authorized by the Finding justified withholding prior notification due to the extreme sensitivity of the dialogue being established. His advisors recognized that if the fact of this program become known, the American hostages in Lebanon would be put at a greater risk.

On 5-7 February 1986, U.S. officials from the NSC and CIA met in Germany with representatives of the Israeli Prime Ministry and a senior-level Iranian official. At this meeting, the Iranians agreed that if the USG would provide TOW weapons to Iran, they would, [redacted] The U.S. agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary would deposit funds in an Israeli account.

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-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain material authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using these procedures, funds were deposited in the CIA account in Geneva on 11 February 1986 and on 14 February 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DoD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DoD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DoD (Armitage and Koch) and CIA (Clair George). The TOWs were placed in a [illegible] covert Israeli facility awaiting onward shipment.

On 19-21 February, U.S. and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of 20 February and completed in two transits to Tehran on 21 February. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

On 7 March, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

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Based o[illegible] meet face-to-face with top-level Iranian officials, on 15 May the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC Staff, and the Israeli and Iranian interlocutors. In order to ensure operational security, the trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted]--obtained from the CIA--was used.

In the course of the four-day (25-29 May) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first-hand the internal political dynamic in Tehran and the effect of the war on Iran. Using Presidentially-approved Terms of Reference, which ha[illegible] and approved by appropriate Cabinet officers, McFarlane emphasi[illegible] interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest [redacted] through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor.

On 10 June, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On 26 July, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint. On 3 August, three pallets (less than 1/2 planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-component arrived in Tehran (from Israel).

In mid-August, two contacts were made with Iran. George Cave made contact with [redacted] and Ollie [illegible] [illegible] contact with [redacted] of the senior Iranian official [illegible]. Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new and Iranian contacts. During the 26 October 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support [redacted] and suggested again that if we could provide additional TOW weapons to Iran [redacted] The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tant [redacted] At this meeting, [redacted] stated that there was a "very good chance that another American or two would be freed soon." On 29 October, with U.S. acquiscence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

[redacted]

These discussions with [redacted] satisfied us first that we were directly in touch with top leadership in Iran and that there was some interest in working together in converging the strategic interests of Iran and the U.S. and our moderate Arab friends in the Persian Gulf in protecting them from the threat of Soviet aggression.

Late on 31 October, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American--David Jacobsen and an uncertain number of French hostages. He further noted that this was part of the purpose of the Iranian Foreign Minister's visit to Syria. On 2 November, David Jacobsen was released by his captors [illegible] old American Embassy compound in West Beirut. The U.S. Embassy in East [illegible] immediately dispatched an embassy officer to West Beirut to pick up Mr. [illegible]

It now appears that persistent U.S. efforts to establish contact with Iran have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. Apparently to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his 4 November address to the masses.

[redacted]

[redacted] The arrest of Mehdi Hashem [redacted] Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on 9-10 November with NSC and CIA representatives. [redacted]

It is important to note that since the initiation of the [redacted] with Iran, there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We believe that the September-October kidnappings of Messrs. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact. [redacted] Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapprochement [redacted] Iran we are seeking.

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[illegible] Nov 86.

DCI's Iran Testimony for HPSCI and SSCI
21 November 1986

N 10007

Throughout the Reagan Administration, both the national security community and the intelligence community have been keenly aware and constantly concerned about the geopolitical position and the strategic significance of Iran. Much thought and effort has been devoted to how we might develop contacts and relationships which would provide a better understanding of what is happening there and establish contacts and relationships which might lead to improved relationships later on.

I recall speaking to [redacted] about the importance of our identifying and establishing contact with leaders in a future Iran. [redacted] said that we do not know who will emerge to lead Iran in the future, but that we must gather all the strands and hold them in our hands so that we will be ready. [redacted]

In the early fall of 1985, Bud McFarlane, after one of the weekly meetings which he and his deputy had with me and my deputy, asked me to stay behind. He told me about discussions he had had at the highest levels in Israel urging the desirability of discussions with officials in Iran and offering channels of access. He told me that, for obvious reasons, only a handful of people in the Israeli and American governments were to be told about this effort. I distinctly recall McFarlane emphasizing that the purpose of such discussions would be the future relationships with Iran and Iran's great importance in the East-West and Middle East-Persian Gulf equation.

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[illegible]
[illegible] 29 1988

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[illegible] ssified/Released on 27 June 1987
[illegible] of E.O. 12356
[illegible] Security [illegible]

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N 10008

CIA's involvement began when the Agency was asked to recommend a reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East. We recommended a proprietary of ours called [redacted] This little airline regularly took on commercial ventures. Neither the airline nor CIA knew the cargo consisted of 18 Hawk missiles. When the plane got to Tel Aviv, the pilots were told the cargo was spare parts for the oil fields and was to go into Tabriz. Our [redacted] decided that in order to protect the plane, [redacted] should be asked to get flight clearances into Iran. On 25 November 1985, the plane dropped the cargo in Tehran. To the best of our knowledge, neither the Israelis nor the Iranians knew that they were dealing with a CIA proprietary, nor did airline personnel know what they were carrying. The airline was paid the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. [redacted]

Our Associate Deputy Director for Operations authorized the flight because of the alleged urgency of the requirement. When the Deputy Director was consulted on 25 November, it was decided that we would not provide any future support of flights into Iran in the absence of a finding.

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In the meantime, the Israeli proposal of probing the possibility of discussions with Iranian officials, including making small shipments of arms to establish our good faith and to induce them to use their influence with those holding our hostages, was discussed at one or two meetings of the NSPG principals. There were differences of view about the desirability of this policy, but it was finally decided that it should be cautiously pursued.

On 7 December 1985, Bud McFarlane, then National Security Advisor, met in London with Israeli officials and the Iranian expatriate who was their intermediary to the Iranian government. At this meeting, Mr. McFarlane stated our goals of pursuing the relationship with Iran were these:

-- Devising a formula for reestablishing a strategic relationship with Tehran.

-- Ending the Iran-Iraq war on honorable terms.

-- Convincing Iran to cease its support for terrorism.

-- Helping ensure the territorial integrity of Iran and coordinating ways to counter Soviet activities in the region.

Mr. McFarlane made clear that in this relationship we would expect Iran to use its influence to achieve the release of Western hostages in Lebanon. He also made it clear that we could not and would not engage in trading arms for hostages. This matter was discussed again several times with the President and others in the national security community following the December McFarlane trip.

On 17 January 1986, a Presidential Finding was signed directing the CIA to provide operational and logistical support for a program aimed at (1) establishing a more moderate government in Iran, (2) obtaining intelligence to determine the current Iranian government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of American hostages held in Beirut and preventing further terrorist acts by these groups.

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The Finding stated that the USG would provide moderate elements within and without the government of Iran with arms equipment and related materiel in order to enhance the credibility of these elements in their efforts to achieve a more moderate government in Iran by demonstrating their ability to obtain resources to defend their country.

In the Finding, the President directed the CIA to refrain from reporting the Finding to the Congress until otherwise directed. The Finding was reviewed and concurred in by the Attorney General.

At the time the Presidential Finding was being drafted, the CIA's Office of General Counsel provided the legal opinion that the President has the authority to withhold prior notice of operations from the Congress. Section 501 of the National Security Act expressly provides that notification of intelligence activities to the Congress shall be provided "to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution."

The Act also states that the Intelligence Committees be informed of activities for which no prior notice was given at the appropriate time as determined by the President. This was a clear recognition that extraordinary circumstances could lead the President to conclude that notice of an operation should be withheld, in whole or in part.

The history to the Oversight Act shows that an accommodation recognizing both the President's constitutional responsibility and authority and the Congressional oversight responsibility and authority was reached in this legislative process. The subsequent procedures agreed upon by the DCI and the SSCI on reporting covert action operations provide that advance reporting of such operations would also be subject to the exceptional circumstances contemplated in Section 501 of the National Security Act.

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The President has instructed me to advise you that he determined that the activities authorized by the Finding justified withholding prior notification due to the extreme sensitivity of the dialogue being established. He determined that if the fact of this program became known, those carrying out the dialogue both U.S. and Iranian and the American hostages in Lebanon would be put at a greater risk.

There have only been two Findings since the inception of the oversight process ten years ago which have not been briefed to Congress. This is one. The second was the Iranian hostage rescue mission.

Now I would like to explain exactly what activities were undertaken by the CIA in carrying out the directives of this Finding signed on 17 January 1986.

On 5-7 February 1986, U.S. officials (NSC), a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted] met in Germany. At this meeting, the U.S. side emphasized its desire to enter into a strategic dialogue with the Iranian side. The Iranians raised their desire to receive U.S. weapons. The U.S. agreed to explore this possibility. Working with the Israelis, the following mechanism for transfer of the weapons was established:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The funds would then be transferred to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would work with the Army Logistics Command to obtain the materiel.

-- The materiel would then be transported to Israel for future shipment to Iran.

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Using these procedures, $3.7 million was deposited in the CIA account in Geneva on 11 February 1986 for the purchase of 1,000 TOW missiles and associated costs.

On 15 February, Office of Logistics personnel delivered the 1,000 TOW missiles to Kelly Air Force Base. The missiles were then transported to Israel for onward shipment to Iran. CIA was not involved in the transportation of this shipment.

On 19-21 February, U.S. (NSC and CIA) and Iranian officials met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity and support for the faction we were talking to. This delivery was commenced on the morning of 20 February and completed in two transits to Tehran on 21 February. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

On 24 February, the same U.S. officials traveled to Germany where they met with the intermediary and an Iranian government official. At that meeting, the Iranian official provided a list of varying quantities of approximately 240 different spare parts needed for the Hawk missile batteries provided by the USG to Iran during the Shah's reign. The Iranian official asked for USG assistance in obtaining these spare parts as additional proof that this channel had the approval of the highest authority in the USG.

On 25 February, the U.S. officials, as they continued to do in later contacts with the Iranians, provided the Iranians with limited information designed to encourage an Iranian decision to negotiate an end to the war and increase Iranian awareness of the Soviet threat to Iran.

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Throughout March and April, the Office of Logistics worked with DoD to clarify the items on the Iranians' list of spare parts and identify which items were in DoD stocks.

On 7 March, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on 15 May the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, a CIA communicator, members of the NSC Staff, and the Israeli and Iranian interlocutors.

On 16 May 1986, the Iranians provided $6.5 million through an intermediary for Hawk spare parts and an additional 508 TOW missiles. The receipt of the Iranian funds set into motion arrangements for the planned visit to Iran as follows:

-- The Office of Communications provided secure communication equipment and the services of a communications officer to travel to Iran with the U.S. team

-- The Office of Technical Service was tasked to provide ten [redacted] passports for use by the team and the air crew of the aircraft that would fly from Israel to Tehran. The Iranians insisted on the use of non-U.S. passports [redacted] passports were chosen because the Israeli aircraft used for the journey carried [redacted] registration numbers.

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-- The Office of Logistics assembled the available Hawk missile spare parts at Kelly Air Force Base. The parts were then transported to Israel by a private contractor (Southern Air Transport).

-- The Office of Logistics delivered 508 TOW missiles to Kelly Air Force Base for onward shipment to Israel by private contractor (Southern Air Transport).

On 25 May, the U.S. team traveled to Tehran via Israel. The CIA provided two members of the team--a communications officer and a Farsi speaking annuitant with considerable experience in Iranian affairs. The annuitant provided translation services and advice to the team. He continued to be involved in subsequent meetings with Iranian representatives.

The U.S. team brought a single aircraft pallet of Hawk missile spare parts with them to Tehran at the time of the meeting. However, it was decided that the greater portion of the spare parts would stay in Israel for later delivery to Iran pending further progress in establishing the dialogue. We understand that those spare parts were ultimately delivered to Iran.

The 25-29 May meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first-hand the internal political dynamic in Tehran and the effect of the war on Iran. Using Presidentially-approved Terms of Reference, which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East,

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest [redacted] through dialogue.

On 19 September, three Iranians traveled to the U.S. for detailed discussions with the U.S. team. These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran.

Throughout August and September, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts in an effort to develop the dialogue authorized by the Presidential Finding.

On 6 October, those Iranians traveled to Frankfurt for meetings with the U.S. team. [redacted]

On 26 October, more meetings were held in Frankfurt with the same participants. [redacted]

The Iranians proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] That tank should be in our hands shortly.

On 2 November, the Iranians provided $2.037 million and the Office of Logistics procured 500 more TOW missiles from DoD.

Those missiles were delivered by the Office of Logistics to Kelly Air Force Base on 6 November. A USAF C-141 aircraft carried the missiles to [redacted] where they were transshipped by a CIA air proprietary aircraft which carried the missiles to Israel.

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This brings the record of CIA involvement in these activities authorized by the 17 January 1986 Presidential Finding up to date as of the present time. We should note that none of the weapons came from CIA stocks.

We have received no requests to acquire any more materiel of any type for shipment to Iran under this program.

I would like to reiterate that the funds for the procurement of the materiel enumerated above, as well as for all associated costs, were provided by the Iranians themselves. Funding from Iran was transferred to CIA for deposit in a covert funding mechanism. This action provided secure means for control, payment, and accountability of all funding associated with this program. The Iranian funds, a total of $12,237,000, were deposited into a special account in a Swiss bank.

The only costs incurred by the CIA in this activity were expenses for the travel of CIA officers involved in the various meetings, the costs of hotel rooms [redacted] operational support [redacted] amounting to approximately $48,000. The costs for this support have been charged against normal operational accounts. Since all travel by CIA officials is routinely charged to such accounts, to do otherwise in the case of the trips undertaken during this program would have compromised the security of the activities.

Let me make it perfectly clear that it was apparent to all that this initiative was a controversial one. Even those of us who supported going forward understood that it was a close call and a risky operation. There were no illusions.

Was it a reasonable call? Yes. I think it was. As the health of Khomeini has declined over the past year, we have seen an increase in factional infighting in Tehran. This infighting has been sharpened by severe economic problems, as well as the war with Iraq. There have been numerous arrests. This factional infighting has implications for both the United States and the Soviet Union. It was the Administration's judgment that any powerful Iranian faction seeking to reestablish ties with the West and willing to attempt to curtail Iranian support for terrorism was worth talking to.

It was in that context that the judgment was made that providing a small amount of defensive weapons would give this faction some leverage in the internal struggle by suggesting that there were advantages in contacts with the West.

As I stated earlier, Iran is not going to go away. Its geographic and strategic positions guarantee that it will remain a geopolitical force which the U.S. will have to deal with. If we do not establish ties to the various Iranian factions now we will be faced with the problem of doing so later. It is that simple.

NO DATE

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DEPOSITION EXHIBIT
CJC #15
6-23-87

SUBJECT: CIA Airline Involvement

In late November 1985, a CIA proprietary airline was chartered to carry cargo to Iran at the NSC's request. The cargo was described to us as oil drilling spare parts. Although we did not know it at the time, the cargo was actually 18 Hawk missles. The chronolgy of the incident is as follows:

On 22 November ~~1985~~, the NSC contacted the Agency with an urgent request for ~~for the name of~~ a discreet, reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East.

We offered the name of the CIA's proprietary airline as a company which could handle the NSC request. The NSC passed the name of our airline to ~~their intermediary with the Iranians.~~ the Israelis.

In the interim, we contacted our airline and told them that they would be receiving an urgent, legitimate charter request. The NSC intermediary contacted the airline that evening (22 November) and made arrangements for the airline to pick-up the parts in [redacted]

The destination was changed to Tel Aviv and two ~~of our airline's~~ Boeing 707's operated by CIA proprietary arrived in Tel Aviv 23 November. The cargo was ultimately loaded onto only one of the aircraft. Loading was completed by 24 November and the aircraft proceeded to Iran via a stop at [redacted] and then overflying [redacted] At the NSC's request, and for the protection of our aircraft, we helped arrange for the overflight clearances.

To the best of our knowledge, neither the Israelis nor the Iranians knew ~~intermediary did not know~~ that they was dealing with a CIA proprietary, nor did airline personnel know what they were carrying. [illegible] ~~We at CIA did not find~~ out that our airline had hauled Hawk missles into Iran until mid-January when we were told by the Iranians.

The airline was paid by the Israelis the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. It had, in fact, made another unrelated ~~legitimate~~ flight into Tehran carrying commercial items prior to the 22-25 November incident.

Senior CIA management found out about the flight on 25 November ~~February~~. Although we did not know the nature of the cargo, we thought that any future support of this type to the NSC would require a Finding.

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CJC

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21 NOV 86.

CJC notes & miscellaneous & NSC document

<harris>chuck

CJC NOTES OF DISCUSSION AMONG McFARLANE, AG MEESE, & CJC
(11/21/86)

On November 21, 1986, Attorney General Meese and Assistant Attorney General Cooper interviewed Robert McFarlane concerning events surrounding recent contacts with certain elements of the Iranian government. The interview took place in the AG's office.

The AG opened the interview by explaining that the President had asked him to develop an accurate and complete account of the facts relating to the Iranian contacts. The AG briefly summarized his understanding of the major events in the chronology of these events and asked McFarlane to describe, to the best of his recollection, all events relating to contacts with Iran, with particular emphasis on anything having to do with American military supplies or weapons.

McFarlane (hereinafter referred to as "M") stated that his first contact on this issue came on July 3, 1985, when Kimche, Eli Rubenstein, and perhaps others from Israel met with M in the latter's office. M also noted that Kimche phoned M on July 30 to set up an August meeting on this subject. On August 2, 1985, Kimche (who is Director-General of the Israel Foreign Ministry) met with M in Washington. At the July 3, 1985 meeting, Kimche advised M that Kimche had been contacted by an Iranian representing elements of the Iranian government seeking change in Iranian policy toward the United States and interested in establishing renewed and cooperative contacts with the U.S.A. These elements of the Iranian government recognized that their country's economy was declining, and that the Soviets were attempting or likely to attempt to exploit the situation. These elements believed that the fundamentalist drive was bad. Kimche believed that his Iranian contacts were legitimate and credible because they had taken certain risks to prove their bona fides. Kimche believed that these elements of the Iranian government might be able to influence the captors of the hostages, but a quid pro quo in terms of military support would eventually be necessary.

In mid-July, around the 13th, M briefed the President, along with Don Regan, at the hospital.

At the August 2, 1985, meeting M told Kimche that the President was interested in establishing a dialogue with these elements of the Iranian government, but was cautious regarding any transfer of arms. M advised Kimche that the President might be willing to provide such support at a later date, after we had become better acquainted with the intentions and good faith of these elements in Iran, and after we had become satisfied with the firmness of their asserted opposition to terrorism. The

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President was not willing, however, to provide any such support at that time.

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11/21/86 — McFarlane - AG - CJC

AG - need the facts - total chronology.
AG recaps
1st contact by Kimche -

M. - July 3 - M, K, others from Isr. (Ell. Rubinstein) met re this
in M's office
July 30 - Kimche phones M. to set up mtg re
Aug. 2 - K, M meet in Wash.
(K - director-gen. of For. Ministry)

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K. said Iranian made contacts w/ K, & rep'd elements of Iran seeking chg in policy & int'ed in establ'ing contact w/ U.S.
Iran's econ. declining, Soviets on border, etc. Fundamentalist drive bad, they said.

mid-July (18th?): M. briefed P. in hosp. w/ Don Regan.

K. thought the Iranians were legit bc/ had taken risks to prove their b.f.

K. said a q. p.q. in terms of military supp would eventually be necessary.

~~No mention of weapons till 2d meeting.~~

The Iranians might be able to influence hostage situat

Aug 2 - M told K that Pres. int'd in dialogue, but cautious re any weapons -- maybe at some pt later, but not now. - K understood but suggested that Is. provide arms. Is wnts

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EXHIBIT
CJC #17
6/22/87 NS

would be further (M suspected Isr. had already)
K mentioned replenishment; M said no diff. from direct U.S. → Iran. - only Rabin, & Peres aware of chat, not . No partic types of arms mentioned.

M acknowledged that Isr. would later be able

M. Ledeen - periodically would tell M. that he was going somewhere (Is.) & should he reject if Is had contacts w/ Ir. - M said of course.

after 2nd K-M meeting Ledeen gave M confirmatory info re Isr / Iran channel.

M thinks he talked w/ G. Schultz in July or Aug. re these matters - Poin. remembers meeting w/ Family Group in hosp. - or in residence - P in pajamas.

M. doubts that Pres called Peres when Weir released.

[redacted]

M. guesses he learned of 508 Tows from Ledeen
M briefed P. - Cap., G.S., & Casey, present, M thinks. At time M. told it was 400± Tows.
M [illegible] arms to Ir. bad idea

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that it hadn't worked out that way (all hostages). No issue of Arms E.C.A. came up; bc/ we weren't providing arms directly to Iran (per E.O) - i.e. that must report direct transfer. No one mentioned that Is → Ir arms would vio AECA

M knows of no one in U.S.G who had contact w/ Is. re transfer of 508 TOWS.

Dec. 7 - W.H. meeting - afterwards M, N. went to London + met w/ [redacted] Ghorbanifar (?), who described his associates. Said they were vulnerable, needed arms to reach out to military their support. - no mention of kind of arms - M said no arms.

Nov - Hawks -

M thinks he first learned of it when ~~[illegible]~~ briefed for trip to ~~[illegible]~~ Iran - May

~~[illegible]~~ Iran sent back Hawks bc/ couldn't reach hi-altitude bomber.

N briefed M - he was action-officer on this beginning Oct or Nov.

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Nov. 16 or 17 At summit in Geneva learned that Isr. had shippe oil equipmt. Rabine called from N.Y. & said they have a problem w/ shipmt to Iran. M asked N to assist. N rept'd back that Isr. hit snag in customs in [redacted], & that it may take a call to Prime Minr - a couple of days later he talked w/ I. - M. said it was an important project & would appreciate his assistance. M. remembers no mention in all this of arms.

M. didn't know this involved procuring a plane; doesn't remember chat w/ G.S., but probably had one.

etween Thanks
+ Dec 4 -- K visits Wash. to urge M. not to resign. (which had been rumored). M said U.S. itd in polit. meeting -- M doesn't remember talk re Tow. , or other arms, but if was, M reaffirm our refusal

Dec 7 - M said we should ~~[illegible]~~ provide arms
no talk re problem w/ arms already given by Isr.

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Then M, N. went to London.
No recall of talk w/ N re resolution of Rabine's problem.
M. now asks "was CIA involved," (in Nov. matter coz

Dec London meeting - Iranian said need ar- to strengthen his associates - M said no can d-.

separate meeting just w/ [redacted] + N - Said disturbed about TOWs - can't approve it.

M briefed P. upon return - recommended that we not do business w/ this Iranian - shady, no training, was not looking at our larger scope & objs, but just arms.

No one in London suggested link between the 508 TOWS + Weir's release.

G.S. came to M. cabin in Oct. weekend before 24th + M suggested that he was thinking of resigning - M told P. in late Nov. - Resigned Dec. 4 effective end of month.

Dec. 11. - M reported the London meeting to Pres.

No decision by USG to go forward w/ an arm relationship w/ Ir. when M. left.

M. came back in a tpr. to be contact w/ Iran in May - was made aware of Finding in April Was made aware of arms angle in phone calls from Poin. or N when [redacted]

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go to Iran —

On plane to Iran, N (?) told M nitty-gritty of arms transfers. M expressed dismay; the hostages were

lost in details re replenishment, etc.

George Cave was along on trip: interpreter

Howard Teicher

M. flew on charter plane — [redacted] — got a new plane to Tel Aviv → then got on cargo 707 to T 'an. — None were U.S military planes

Had a , but no Bible. — N. brought the cake.

There 4 days.

2 CIA communicators were along.

Iranians upped the ante for release of ~~K~~ Kuwaitis

M said they were in bad faith, bc/ wel on deal.

[redacted]

deal was all hostages for 3 shipments of mate

(had spare Hawk parts w/ him).

[redacted] Rafsanjani's assistant · met w/ M on last day

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[redacted]

M reported the trip -- + said we should have nothing further to do w/ them. Wait on them to come to us.

Iran took the parts, wouldn't give them back.

George Cave

Cap: opposed replacing 508 TOWs - M didn't oppose.

22 NOV 86
3:00

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DEPOSITION EXHIBIT
CJC #18
6-22-87

11/22/86 — AG, G.S., Hill, CJC

AG: Nov. - ~~Hawk~~ episode

during Geneva summit - after 2d day's meeting (18th M. came to G.S. hotel & said that a complex deal was underway -- shipment of arms (may have said Hawks) would go to Ir. on assumption that hostages would be released. The Iranians would know what was on board of the plane, but

Hill: M said plane would go from Isr to [redacted], if hostages released it would go to Iran, if not, back to Isr (we would be advised through [redacted] that hostages released).

G.S. said very bad idea, didn't think it would work. - G.S. was consulted, not for approval. G.S. thought if didn't happen, by no hostages released.

G.S. told around Thanksgiving that it hadn't worked out, & whole thing shut down - & G.S. heaved sigh of relief.

A.G. - I recall vaguely that the plan described, perhaps at Jan 7 mtg

G.S.: Thurs. night - G.S. went to W.H. & said to

Was (to not) provide any arms until 2 hostages were released.

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see P. + said that some of statements won't stand up to scrutiny —

G.S. advised that M. came to G.S. + told of deal

Pres. said he knew of it — but didn't understand it as arms for hostage, but as part of larger plan.

G.S. reptd Geneva conversation to C. Hill + he made notes.

Family group meeting at residence — M. advises of 500 TOWS Isr → Iran.

G.S. dimly recalls any meeting re this subject, but doesn't recall anything re a completed transfer of TOWs or anything else.

G.S. doesn't recall learning in Sept of any Isr. transfer of TOWS

Dec. 7. meeting G.S. + Cap firmly argued agst the whole enterprise. M was to go to London to discuss the whole relationship w/ Iran, including arms + hostages.

As result, P. allowed M. to go, but

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was not to discuss arms - Iran then had no interest, b/c no arms. G.S. was told after, & again, that the whole [redacted] deal was over. - G.S. relieved again.

Jan. 6 or 7 meeting - G.S. still strongly agst, but all others in favor (except Cap). The need for finding was discussed. All policy arguments were ventilated - including arms for hostages arguments.

Casey & A.G. refered to the [redacted] /State legal theory re [redacted].

A.G. met w/ Poin & Casey on Jan 16 & thinks he went over the legal basis of finding.

Poin told G.S. from time-to-time of the sleazy people we were dealing w/.

late-May 86 Someone walked into London Embassy & told of large arms dealers doing business in Iran.
Chas Price - Embassy sent cable to G.S. in Tokyo in June & G.S. again implored Regan to stop it.

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In June 86 told by Casey & Poin that it hasn't worked out & is over.
In Oct 86, learned of hostage release; & had secure

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call from Poin, who said the activities had cont'd + expected other 2 hostages to be released
State has been cut off of all cable traffic, etc on orders of W.H. Turned down as recently as yesterday.

Re Geneva chat: G.S. thinks the Kimche approach in July was preceded by an approach to Israelis by Ledeen, auth'd by M. - State Dept learned of Ledeen's activities (secret mission by [illegible] + [illegible].) G.S. complained to M.

Lewis learned of it, but Israelis would not tell him of it, but Kimche would tell G.S. when came to Wash.

Then K approached M + G.S. heard of it from M while abroad, + that it was a proposal to contact Iran + would involve arms + hostages.
Rabin didn't mention when in Wash.

June '85? - ~~[illegible]~~
Draft N.S.D.D. sent around this time to Cap + G.S.
G.S. wrote formal response saying loony idea
Cap apparently said "absurd." - b/c NSDD draft discussed relationship of arms + hostages.

Sept of 86 - Ledeen tried to see G.S. to brief on all aspects of Iran - [redacted] [redacted] declined.

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On last Monday –

(fly to [redacted] + arms would be transferred to another plane

Hill: M said plane would be loaded in [redacted] Isr; would ~~[illegible]~~ then would go to Iran if hostages released; to Isr if not.

Tiny Rolando – } came to London Embassy + discussed
Adnan Khashogi – ???

For response to G.S. point that this is Isr idea + that Poin. says [redacted] not responsible for Weir release – was released for something we did.

– will get nothing out of it. Poin, we got Weir out of it.

[redacted]

per Hill: Day after Weir released, T.V. news stories said a plane was being loaded in Isr. with spare parts for Iran; + linked it to U.S. that K. had met w/ American official in London.

Hill: Early Sept '85 military [redacted] operation: [redacted] [redacted] ~~all 7 hostages would be brought to a beach +~~ picked up

early Sept '85 Armacost authorized a false passport for N. to go to Iran to manage operation.

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NO DATE

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Secure phone call M - G.S. in Geneva from one hotel to another

Nov. 18 - Monday - 18:05

[redacted] Bud talked to K. 4 hostages to be released Thurs. Isr. will fly plane w/ 100 H's to [redacted] transfer to another plane, if hostages released, plane to Ir., if not, Isr. Isr. will buy from us to replace + be pd by Iran [redacted]

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14:8

~~2~~ 7438

~~1 6068~~

- Hostg

McF: ① Israel

[redacted] Bud talked to Kimche. 4 hostg to be released Thursday. Is. will fly plane w/ 100 Hawks to [redacted] Transfer to another plane. If hostg released, plane will go to Iran. If not, Israel. Is. will ~~accept~~ buy from us & replace & be pd by Iran.

[redacted]

[redacted]

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SC #21
5-18-1

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2105
22 NOV 86

11/22/86 - Sporkin, AG, CJR

2 aspects
(1) sanctions in '85 [redacted] cf. ~~& supplies~~
Isr. & Iranian - N wanted [redacted] to
out to what they could & planned to do. - at Ma
not K, probably arms dealer

McMahon (around Nov - Dec 85) - sends
Sporkin two guys from operations dir
who reported - Ed Dietel (Dep G.C.) was
there. - told of arms shipment & tr
portation - Sporkin said need finding
drafted one & told McMahon that
should be used -- F. had in it
something that would purport to ratify
anything that had already been done

Can't remember who they were

- thinks it was something to facilitate ~~arms~~
arms transfer -- planeload of some kind
of arms going to, he thinks, Iran - can't
recall if Isr.

Jan. 5 or 6
Friday evening called by N. & wanted to talk w/ him (Sporkin advised Casey & Casey said it was OK to see N.
Sporkin rev'd draft finding & made some sugg
Sp. & N. met w/ Casey at home
around Sunday
went over F.; Sporkin suggested that
F. should refer to hostage situation

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(N. said not in it b/c G.S. objected) + Sp. said it should be in 7. if it is part of the operation. Reference added re hostage situa

Prior to this, a F. on a sensitive missi Libya had a draft reference re not reportin to Cong. - was deleted b/c P. thought s members should be informed.

Jan. 16 - meeting in Dir. Office - Cap, Casey, Sp., A.G., -- discussion re [redacted] opinion; Cap was uncertain + wanted to do more research - next day Cap apparently advised Casey that the legal analysis was sound.

Sp. recalls that there was concern re the dan to hostages if this disclosed prematurely; + t Cong. would be told ASA it could cons w/ safety of hostages. They also assumed t the hostage matter would be resolved ve rapidly. ASA hostages in friendly ha, Cong would be told of entire matter

after F. - around early Feb. meeting in Sit. Room, N, Gen. Secord, Sp. to discuss a London meeting - never came

Sp. left govt on Feb. 9

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Back to Nov – Sporkin did draft #7. + discussed with McM. – told him that CIA can't do the deal w/o F. --

In chat w/ 2 ops guys, the issue of hostages were mentioned + the draft F makes ref. to this aspect of the intel. op.

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11/22/86 Dave Dougherty, Ed Dietel, CIA, J.

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26 NOV 85

86-4068M

The Director of Central Intelligence

[illegible] D.C. 20505

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26 November 1985

I 0400

MEMORANDUM FOR: Vice Admiral John M. Poindexter, USN
Deputy Assistant to the President
for National Security Affairs

SUBJECT: Presidential Finding on Middle East

Pursuant to our conversation this should go to the President for his signature and should not be passed around in any hands below our level.

William J. Casey

Attachment:
As stated

CL BY 0003074
RVW OADR

[redacted]

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DEPOSITION EXHIBIT
CJC #22
6-8-87

[illegible] 7 May 1987
[illegible] E.O. 12356
[illegible] Security [illegible]

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Finding Pursuant to Section 662 of the Foreign Assistance Act of 1961, As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

0401

I have been briefed on the efforts being made by private parties to obtain the release of Americans held hostage in the Middle East, and hereby find that the following operations in foreign countries (including all support necessary to such operations) are important to the national security of the United States. Because of the extreme sensitivity of these operations, in the exercise of the President's constitutional authorities, I direct the Director of Central Intelligence not to brief the Congress of the United States, as provided for in Section 501 of the National Security Act of 1947, as amended, until such time as I may direct otherwise.

SCOPE	DESCRIPTION
Hostage Rescue - Middle East	The provision of assistance by the Central Intelligence Agency to private parties in their attempt to obtain the release of Americans held hostage in the Middle East. Such assistance is to include the provision of transportation, communications, and other necessary support. As part of these efforts certain foreign materiel and munitions may be provided to the Government of Iran which is taking steps to facilitate the release of the American hostages. All prior actions taken by U.S. Government officials in furtherance of this effort are hereby ratified.

The White House
Washington, D.C.

7 May 1987

Date:

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[redacted]

20 Nov 86

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November 20, 1986

DEPOSITION EXHIBIT
CSC-23
6/23 JT

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

1985

Jan :	Michael Ledeen suggested to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar was introduced to Ledeen and the NSC as an Iranian intermediary.
Feb 14:	Jeremy Levin escaped.
Jun 14:	TWA-847 hijacking. Iranian government officials, contacted by Israelis and Ghorbanifar, help in obtaining the release of four Americans held separately from the rest of the hijacked passengers. Last known instance of Iranian influenced group perpetrating terrorism against U.S. nationals.
Jun :	Draft NSDD on Iran circulated to principals.
Aug 22:	David Kimche met with Bud McFarlane in Washington.
Aug 30:	508 TOW missiles delivered to Iran from Israel.
Sep 01:	[redacted]
Sep 14:	Reverend Benjamin Weir released.
Oct 04:	Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.
Nov 17-18:	Separate meetings in London with Ghorbanifar and Waite.
Nov 24:	Israel delivered 18 HAWK missiles to Iran [redacted]
Dec 06-08:	Meeting in London with McFarlane and Ghorbanifar.
Dec 20:	Hostage Location Task Force (HLTF) formed at CIA.
Dec 22:	Ghorbanifar to U.S. for talks with U.S. officials.
Dec 23:	Nir became primary Israeli POC.

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~~Declassify: OADR~~

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1986

Jan 17:	Presidential Finding on Iran.
Feb 05-07:	Meetings in Geneva with Nir and Ghorbanifar (CIA and NSC).
→ Feb 14:	U.S. delivers 1,000 TOWs to Israel.
Feb 19-21:	Meetings in London and Frankfurt (Ghorbanifar [redacted]
→ Feb 20-21:	1,000 TOWs delivered to Tehran from Israel.
→ Late Feb:	18 HAWK missiles returned to Israel.
Apr 17:	U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.
Apr 22:	Ghorbanifar arrested in Switzerland for indebtness apparently related to the FBI sting of arms sales to Iran by private citizens from the U.S., Germany, and Israel.
Apr ? May 09:	G visits Wash. Planning meeting at CIA (DDO and NSC personnel).
May 15:	Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives: -- Establish a correct relationship with Iran. -- End Iran-Iraq war. -- Return U.S. hostages.
May 22-28:	Meetings in London [redacted] Cyprus [redacted] and Tel Aviv (Nir and Rabin).
→ May 23:	U.S. delivers 508 TOWs to Israel (replacements).
May 24:	[redacted]
→ May 25-27:	McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
Jun 10:	Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
Jun 30-Jul 02:	Ghorbanifar in U.S. for discussions with CIA and NSC.

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Jul 26-28: Meetings in Frankfurt (Ghorbanifar, Nir, NSC, and CIA).

Jul 26: Father Jenco released.

→ Aug 03: Remainder of 240 HAWK missile parts delivered to Tehran.

Aug 06: Frankfurt meetings.

Aug 10: Initial contacts with [redacted] in Madrid and London.

Sep 19-20: Discussions in Washington with new Iranian intermediary (NSC and CIA),

Sep 22-23: Meetings in London (CIA, NSC with Nir).

Oct 03: White House approves provision of intelligence to Iran [redacted] ?

Oct 05-07: Frankfurt meetings (CIA, NSC, [redacted]

Oct 26-28: Frankfurt (Mainz) meetings of U.S. and Iranian representatives (CIA, NSC, Israeli rep [Nir], [redacted]

→ Oct 29: 500 TOW missiles delivered to Iran from Israel.

Nov 02: David Jacobsen released.

Nov 05-07: Meetings in Geneva with [redacted] (NSC and CIA).

→ Nov 07: 500 TOW missiles delivered to Israel (replacements).

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11/20/86 1300
(Historical Chronology)

DEPOSITION
EXHIBIT
CJC-24
6/23

U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 - [redacted] (met secretly with Bazargan at the request of the Iranians)

-- October 1979 - [redacted]

-- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

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-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have been engaged in overtures to the U.S. and Iran in an effort to stimulate direct contact [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In the spring of 1985, a private American citizen (Michael Ledeen) learned from an Israeli government official (David Kimche) that the Israelis had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the Iranian officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

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On July 3, 1985, during a visit to Washington, an Israeli official (Kimche) advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high-level dialogue. The Iranians were described as comprising the principal figures of the government (i.e., Speaker of the Majlis Rafsanjani, Prime Minister Musavi, and Khomeini's heir-apparent, Ayatollah Montazeri) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli as to why he found the Iranian proposal credible, given the events of the past six years. The Israeli replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks. He noted that the Iranians had exposed themselves to possible compromise by meeting with Israelis and by passing extremely sensitive intelligence on the situation (and political line-up) within Iran -- information which was proven valid.

The Israeli asked for our position on opening such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This decision was passed to the Israeli diplomat by telephone on July 30.

On August 2, 1985, the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position to the Iranian intermediary and that the Iranians had responded that they recognized the need for both sides to have tangible evidence of the bona fides of the other and that they believed they could affect the release of the Americans held hostage in Lebanon.

According to the Israeli, the Iranians separately stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of U.S. equipment. The Israeli asked for our position on such actions.

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Mr. McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that, while he could understand that assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible materiel; at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military materiel. This was conveyed to the Israeli.

On August 22, 1985, the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the U.S. Government would be to an Israeli transfer of modest quantities of defensive military materiel. McFarlane replied that to him, such an action would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the U.S., but that a problem would arise when ultimately they needed to replace items shipped. He asked whether Israel would be able to purchase replacements for items they chose to ship. McFarlane stated that the issue was not the ability of Israel to purchase military equipment from the U.S. -- they had done so for a generation and would do so in the future -- but rather the issue was whether it was U.S. policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the Director of Central Intelligence). The President stated that, while he could envision providing materiel support to moderate elements in Iran if all the Western hostages were freed, he could not approve any transfer of military materiel at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

In late September, we learned that the Israelis had transferred 508 TOW missiles to Iran and that this shipment had taken place in late August. The Israelis told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding, and transportation. After discussing this matter with the President, it was decided not to expose this Israeli delivery because we

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wanted to retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic dialogue with the Iranian government. The total value of the 508 TOWs shipped by Israel was estimated to be less than $2 million.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

HAWKS In mid-November, the Israelis through a senior officer in the Prime Minister's office (Amiram Nir), indicated that the Government of Israel was convinced that they were nearing a breakthrough with Iran on a high-level dialogue. The Israeli asked a U.S. official (North) for the name of a European-based airline which could discreetly transit to Iran for the purpose of delivering passengers and cargo. We were assured, at the time, that the Israelis were going to "try oil drilling parts as an incentive," since we had expressed so much displeasure over the earlier TOW shipment. The name of the proprietary [redacted] was passed to the Israeli, who subsequently had the aircraft chartered through normal commercial contract for a flight from Tel Aviv to Tabriz, Iran, on November 25, 1985. In January, we — [illegible] learned that the Israelis, responding to urgent entreaties from the Iranians, used the aircraft to transport 18 HAWK missiles to Iran in an effort to improve the static air defenses around Tehran. The Israelis were unwitting of the CIA's involvement in the airline and the airline was paid at the normal commercial rate (approximately $127,700). The airline personel were also unwitting of the cargo they carried. Pilot knew

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The Israeli delivery of HAWK missiles raised serious U.S. concerns that these deliveries were jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were subsequently returned to Israel in February 1986.

On December 7, the President convened a meeting in the White House (residence) to discuss next steps in our efforts to establish direct contact with the Iranians. Attending the

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meeting were the Chief of Staff, Secretaries of State and Defense, the Deputy Director of Central Intelligence, and the Assistant to the President for National Security Affairs and his Deputy. Immediately after the meeting, Mr. McFarlane departed for London to meet with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane, as instructed by the President, stated that:

-- the U.S. was open to a political dialogue with Iran, but that no such dialogue could make progress for as long as groups seen as dominated by Iran held U.S. hostages; and

-- the U.S. could under no circumstances transfer arms to Iran in exchange for hostages.

These points were made directly to the Iranian interlocutor. The Iranian replied that, unless his associates in Tehran were strengthened, they could not risk going ahead with the dialogue. Mr. McFarlane acknowledged the position but stated we could not change our position. In a separate meeting with the Israeli official, Mr. McFarlane made clear our strong objections to the Israeli shipment of the TOW missiles. Following these meetings, Mr. McFarlane returned to Washington and shortly thereafter left active government service.

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. The Israelis urged that we reconsider the issue of providing limited defensive arms to those attempting to take power in Tehran, since all other incentives (economic assistance, medical supplies, machine parts) were of no value in shoring-up those who wanted an opening to the West. Admiral Poindexter noted our stringent objections to the HAWK missile shipments in November and noted that the U.S. would have to act to have them returned (a step undertaken in February, when all 18 missiles were returned to Israel). In that any implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding commenced on January 4.

Hawk

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On January 6, the President, the Vice President, the Chief of Staff, and the National Security Advisor and his assistant reviewed the first draft of the Finding and the recommendations made by the Prime Minister of Israel through his special emissary.

On January 7, the President met in the Oval Office with the Vice President, the Chief of Staff, Secretaries Shultz and Weinberger, Attorney General Meese, Director Casey, and the National Security

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Advisor to discuss the overall situation in Iran and prospects for a strategic dialogue. It was again noted that Mr. McFarlane, on return from his trip to London, had recommended that no further action be taken unless a mechanism could be established by which the U.S. could exert better control over events. He agreed, in principle, with Director Casey that providing limited quantities of defensive arms after the hostages were released still had merit. Both Secretary Shultz and Secretary Weinberger objected to any provision of arms, citing that we could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening our policy of not dealing with states that support terrorism. The President decided that we should attempt to keep the Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing defensive arms to Iran if all the hostages were released.

It was further determined by the President that any dialogue with the Iranians must be aimed at achieving the following goals:

-- Devising a formula for re-establishing a strategic relationship with Tehran.

- Ending the Iran-Iraq War on honorable terms.

- Convincing Iran to cease its support for terrorism and radical subversion.

- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

The President made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages. Secretaries Shultz and Weinberger retained their original position on providing any amrs to Iran, but Attorney General Meese and Director Casey both supported the concept as a valid means of opening the dialogue. Attorney General Meese noted a 1981 determination by then Attorney General French Smith that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

[redacted]

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On January 16, a meeting was held in the National Security Advisor's office with Secretary Weinberger, Attorney General Meese, Director Casey, and CIA General Counsel Stanley Sporkin. At this meeting, the final draft of the Covert Action Finding was reviewed and was forwarded to the President with Secretary Weinberger dissenting.

On January 17, 1986, the President approved a Covert Action Finding (Tab A) directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The President futher determined that the activities authorized by the Finding justified withholding prior Congressional notification due to the extreme sensitivity of the dialogue being established. He further noted that public knowledge of the program would place the American hostages in Lebanon at greater risk. Noting his concern for the lives of those carrying out the operation (both U.S. and foreign), he directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that those involved would no longer be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted]), a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted] met in London. At this meeting, the Iranians agreed that, if the USG would provide defensive weapons (TOWs) to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, $3.7 million was deposited in the CIA account in Geneva on February 11, 1986 and on February 14, 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

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On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

[redacted]

On February 24, U.S. (CIA and NSC) officials met again in Frankfurt with the Israeli and Iranian officials to discuss next steps. At this meeting, the U.S. side urged that the Iranians expedite a meeting among higher-level officials on both sides.

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab B) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of recently seized Israeli hostages.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue

with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on Libya. [redacted] The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) take immediate steps to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors.

On May 16, the Iranians, through the Israelis provided $6.5M for deposit in the CIA secure funding mechanism. The funds were used to acquire 508 TOW missiles (for replenishing the TOWs Israel shipped in September 1985) and acquiring HAWK missile electronic spare parts. This material was subsequently moved to [redacted] repackaged and shipped to Kelly AFB for onward movement to Israel on May 22. As in the February shipment, the CIA provided logistics support for the movement of this materiel to Israel.

In order to ensure operational security, the McFarlane trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare

electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] -- obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

In the course of the four-day (May 25-29) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan and the Soviet threat to the Gulf) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war

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to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the Western hostages in Lebanon.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF [Ret.]) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] a relative [redacted] of a senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian [redacted] was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided assessments designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The assessments also detailed the Soviet threat to Iran.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

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The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] The Iranians have also offered to provide a copy of the 400 page interrogation of Beirut Station Chief William Buckley. At this meeting [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiscence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating [redacted] On November 2, David Jacobsen was released by his captors near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montezari, for acts of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hizballah elements. [redacted]

On November 7, the day after a meeting with U.S. officials, Iranian government authorities arrested six other individuals involved in radical activities. Among the two were senior military officers and a Majlis deputy (Ahmad Kashani), the grandson of Ayatollah Kashani, a conspirator in the 1949 attempt against the Shah.

Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10, with NSC and CIA representatives. [redacted], the two principal Iranian contacts continue to communicate with the U.S. [redacted] the Iranians still intend to deliver the T-72 tank [redacted] "positive statement" will be made in the near future by Rafsanjani. [redacted] Both [redacted] have warned that further disclosures could harm them personally and the longer-term interests of the two countries.

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We do not know who seized the last three American hostages in Beirut (Messrs. Reed, Cicippio, and Tracy). The Islamic Jihad Organization (IJO) has disclaimed responsibility -- as have our Iranian interlocutors. [redacted]

[redacted] It is possible that these three Americans were kidnapped at the direction of Iranian radicals

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loyal to the now imprisoned Mehdi Hashemi. If so, this could be an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the pragmatic faction with which we have been in contact.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 U.S. TOWs and 235 HAWK missile electronic spare parts was undertaken within the provisions of a Covert Action Finding.

During the course of this operation -- and before -- the U.S. was cognizant of only three shipments from Israel to Iran. Specifically:

-- The Israelis acknowledged the August 1985 shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The November 1985 shipment of 18 Israeli HAWK missiles was not an authorized exception to policy. This shipment was retrieved in February 1986 as a consequence of U.S. intervention.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- CIA communications officers and an annuitant to assist in various phases of the operation.

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

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-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- Fabricated and alias documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program were judged to be inadequate to alter either the balance of military power or the outcome of the war with Iraq. They have, however, demonstrated the U.S. commitment to Iranian territorial integrity and served to support those in Iran interested in opening a strategic relationship with the U.S. U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 would not be received in Iranian territory if it left Karachi.

-- [redacted]

-- The release of three American and at least two French hostages.

-- The initiation of an Iranian dialogue with their regional neighbors.

-- Continued delay in the Iranian "final offensive."

Finally, it must also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

No date

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DEPOSITION EXHIBIT
CSC-25
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SUMMARY CHRONOLOGY OF ARMS SALES TO IRAN

1. September of 1985: United States acquiesced in Israel's shipment of 508 TOWS to Iran. (These arms were apparently shipped at the end of August).

2. September 14, 1985: Benjamin Weir released.

3. November of 1985: Israel sent 18 basic HAWK missiles to Iran. These missiles were subsequently returned to Israel in February, 1986.

4. February of 1986: CIA using money from Iran bought 1000 TOWS from the Department of Defense. These missiles were sent via Israel to Iran.

5. May 15, 1986: McFarlane, accompanied by HAWK missile spare parts, goes to Iran.

6. July 26, 1986: Father Lawrence Jenco released.

7. August 3, 1986: three pallets (less than ½ planeload of HAWK parts) delivered to Iran.

8. October 29, 1986: United States acquiesced in shipment of 500 TOWS by Israel to Iran.

9. October 31, 1986: David Jacobsen was released.

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DEPOSITION EXHIBIT
CJC-26
6-23-87

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

1985

Jan :	Michael Ledeen suggested to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar was introduced to Ledeen and the NSC as an Iranian intermediary.
Feb 14:	Jeremy Levin escaped.
Jun 14:	TWA-847 hijacking. Iranian government officials, contacted by Israelis and Ghorbanifar, help in obtaining the release of four Americans held separately from the rest of the hijacked passengers. Last known instance of Iranian influenced group perpetrating terrorism against U.S. nationals.
Jun :	Draft NSDD on Iran circulated to principals.
Aug 22:	David Kimche met with Bud McFarlane in Washington.
Aug 30:	508 TOW missiles delivered to Iran from Israel.
Sep 01:	[redacted]
Sep 14:	Reverend Benjamin Weir released.
Oct 04:	Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.
Nov 17-18:	Separate meetings in London with Ghorbanifar and Waite.
Nov 24:	Israel delivered 18 HAWK missiles to Iran [redacted]
Dec 06-08:	Meeting in London with McFarlane and Ghorbanifar.
Dec 20:	Hostage Location Task Force (HLTF) formed at CIA.
Dec 22:	Ghorbanifar to U.S. for talks with U.S. officials.
Dec 23:	Nir became primary Israeli POC.

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Partially Declassified/Released on 22 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1261

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1986

Jan 17: Presidential Finding on Iran.

Feb 05-07: Meetings in Geneva with Nir and Ghorbanifar (CIA and NSC).

Feb 14: U.S. delivers 1,000 TOWs to Israel.

Feb 19-21: Meetings in London and Frankfurt (Ghorbanifar [redacted] [redacted]

Feb 20-21: 1,000 TOWs delivered to Tehran from Israel.

Late Feb: 18 HAWK missiles returned to Israel.

Apr 17: U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.

Apr 22: Ghorbanifar arrested in Switzerland for indebtness apparently related to the FBI sting of arms sales to Iran by private citizens from the U.S., Germany, and Israel.

May 09: Planning meeting at CIA (DDO and NSC personnel).

May 15: Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives:

-- Establish a correct relationship with Iran.
-- End Iran-Iraq war.
-- Return U.S. hostages.

May 22-28: Meetings in London[redacted] Cyprus [redacted] and Tel Aviv (Nir and Rabin).

May 23: U.S. delivers 508 TOWs to Israel (replacements).

May 24: [redacted]

May 25-27: McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.

Jun 10: Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.

Jun 30-Jul 02: Ghorbanifar in U.S. for discussions with CIA and NSC.

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Jul 26-28:	Meetings in Frankfurt (Ghorbanifar, Nir, NSC, and CIA).
Jul 26:	Father Jenco released.
Aug 03:	Remainder of 240 HAWK missile parts delivered to Tehran.
Aug 06:	Frankfurt meetings.
Aug 10:	Initial contacts with [redacted] in Madrid and London.
Sep 19-20:	Discussions in Washington with new Iranian intermediary (NSC and CIA).
Sep 22-23:	Meetings in London (CIA, NSC with Nir).
Oct 03:	White House approves provision of intelligence to Iran [redacted]
Oct 05-07:	Frankfurt meetings (CIA, NSC, [redacted],
Oct 26-28:	Frankfurt (Mainz) meetings of U.S. and Iranian representatives (CIA, NSC, Israeli rep (Nir), [redacted]
Oct 29:	500 TOW missiles delivered to Iran from Israel.
Nov 02:	David Jacobsen released.
Nov 05-07:	Meetings in Geneva with [redacted] (NSC and CIA).
Nov 07:	500 TOW missiles delivered to Israel (replacements).

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November 20, 1986

DEPOSITION EXHIBIT
CSC-27
6/23 JT

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

1985

Jan :	Michael Ledeen suggested to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar was introduced to Ledeen and the NSC as an Iranian intermediary.
Feb 14:	Jeremy Levin escaped.
Jun 14:	TWA-847 hijacking. Iranian government officials, contacted by Israelis and Ghorbanifar, help in obtaining the release of four Americans held separately from the rest of the hijacked passengers. Last known instance of Iranian influenced group perpetrating terrorism against U.S. nationals.
Jun :	Draft NSDD on Iran circulated to principals.
Aug 22:	David Kimche met with Bud McFarlane in Washington.
Aug 30:	508 TOW missiles delivered to Iran from Israel.
Sep 01:	[redacted]
Sep 14:	Reverend Benjamin Weir released.
Oct 04:	Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.
Nov 17-18:	Separate meetings in London with Ghorbanifar and Waite.
Nov 24:	Israel delivered 10 HAWK missiles to Iran [redacted]
Dec 06-08:	Meeting in London with McFarlane and Ghorbanifar.
Dec 20:	Hostage Location Task Force (HLTF) formed at CIA.
Dec 22:	Ghorbanifar to U.S. for talks with U.S. officials.
Dec 23:	Nir became primary Israeli POC.

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27 June 1987

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SUBJECT: CIA Airline Involvement

In late November 1985, a CIA proprietary airline was chartered to carry cargo to Iran at the NSC's request. The cargo was described to us as oil drilling spare parts. Although we did not know it at the time, the cargo was actually 18 Hawk missles. The chronolgy of the incident is as follows:

On 22 November ~~1985~~, the NSC contacted the Agency with an urgent request ~~for the name of~~ a discreet, reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East.

We offered the name of the CIA's proprietary airline as a company which could handle the NSC request. The NSC passed the name of our airline to ~~their intermediary with the Iranians.~~ the Israelis.

In the interim, we contacted our airline and told them that they would be receiving an urgent, legitimate charter request. The NSC intermediary contacted the airline that evening (22 November) and made arrangements for the airline to pick-up the parts [redacted]

The destination was changed to Tel Aviv and two ~~of our airline's~~ Boeing 707's operated by the proprietary arrived in Tel Aviv 23 November. The cargo was ultimately loaded onto only one of the aircraft. Loading was completed by 24 November and the aircraft proceeded to Iran via a stop at [redacted] and then overflying [redacted] At the NSC's request, and for the protection of our aircraft, we helped arrange for the overflight clearances.

To the best of our knowledge, neither the Israelis nor the Iranians knew ~~intermediary did not know~~ that they was dealing with a CIA proprietary, nor did airline personnel know what they were carrying. ~~We at CIA did not find~~ [illegible] out that our airline had hauled Hawk missles into Iran until mid-January when we were told by the Iranians.

The airline was paid by the Israelis the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. It had, in fact, made another unrelated ~~legitimate~~ flight into Tehran carrying commercial items prior to the 22-25 November incident.

Senior CIA management found out about the flight on 25 November ~~February~~. Although we did not know the nature of the cargo, we thought that any future support of this type to the NSC would require a Finding.

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22 June 198

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1986

Jan 17:	Presidential Finding on Iran.
Feb 05-07:	Meetings in Geneva with Nir and Ghorbanifar (CIA and NSC).
Feb 14:	U.S. delivers 1,000 TOWs to Israel.
Feb 19-21:	Meetings in London and Frankfurt (Ghorbanifar [redacted] [redacted]
Feb 20-21:	1,000 TOWs delivered to Tehran from Israel.
Late Feb:	18 HAWK missiles returned to Israel.
Apr 17:	U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.
Apr 22:	Ghorbanifar arrested in Switzerland for indebtness apparently related to the FBI sting of arms sales to Iran by private citizens from the U.S., Germany, and Israel.
May 09:	Planning meeting at CIA (DDO and NSC personnel).
May 15:	Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives: -- Establish a correct relationship with Iran. -- End Iran-Iraq war. -- Return U.S. hostages.
May 22-28:	Meetings in London [redacted] Cyprus [redacted] and Tel Aviv (Nir and Rabin).
May 23:	U.S. delivers 508 TOWs to Israel (replacements).
May 24:	[redacted]
May 25-27:	McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
Jun 10:	Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
Jun 30-Jul 02:	Ghorbanifar in U.S. for discussions with CIA and NSC.

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Jul 26-28:	Meetings in Frankfurt (Ghorbanifar, Nir, NSC, and CIA).
Jul 26:	Father Jenco released.
Aug 03:	Remainder of 240 HAWK missile parts delivered to Tehran.
Aug 06:	Frankfurt meetings.
Aug 10:	Initial contacts with [redacted] in Madrid and London.
Sep 19-20:	Discussions in Washington with new Iranian intermediary (NSC and CIA).
Sep 22-23:	Meetings in London (CIA, NSC with Nir).
Oct 03:	White House approves provision of intelligence to Iran [redacted]
Oct 05-07:	Frankfurt meetings (CIA, NSC, [redacted]
Oct 26-28:	Frankfurt (Mainz) meetings of U.S. and Iranian representatives (CIA, NSC, Israeli rep (Nir), [redacted]
Oct 29:	500 TOW missiles delivered to Iran from Israel.
Nov 02:	David Jacobsen released.
Nov 05-07:	Meetings in Geneva with [redacted] (NSC and CIA).
Nov 07:	500 TOW missiles delivered to Israel (replacements).

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DEPOSITION EXHIBIT
CSE-28
6/23 87

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

1985 -

Spring:	Michael Ledeen suggested to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar was introduced to Ledeen and the NSC as an Iranian intermediary.
Feb 14:	Jeremy Levin escaped.
Jun 14:	TWA-847 hijacking. Iranian government officials, contacted by Israelis and Ghorbanifar, help in obtaining the release of four Americans held separately from the rest of the hijacked passengers. Last known instance of Iranian influenced group perpetrating terrorism against U.S. nationals.
Jun :	Draft NSDD on Iran circulated to principals.
Jul 03:	David Kimche met with Bud McFarlane in Washington.
Aug 02:	David Kimche met with Bud McFarlane in Washington.
Late Aug:	David Kimche met with Bud McFarlane in Washington.
→ Aug 30:	508 TOW missiles delivered to Iran from Israel.
Sep 01:	[redacted]
→ Sep 14:	Reverend Benjamin Weir released.
Oct 04:	Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.
Nov 17-18:	Separate meetings in London with Ghorbanifar and Waite.
Nov 25:	Israel delivered 18 HAWK missiles to Iran [redacted]
Dec 06-08:	Meeting in London with McFarlane and Ghorbanifar.
Dec 07:	Meeting of President with Regan, Shultz, Weinberger, McFarlane Poindexter, and ~~Gates~~ McMahon, and Poindexter at the White House.
Dec 20:	Hostage Location Task Force (HLTF) formed at CIA.
Dec 22:	Ghorbanifar to U.S. for talks with U.S. officials.
Dec 23:	Nir became primary Israeli POC.

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1986

Jan 02: Nir meets in U.S. with Poindexter.

Jan 07: President meets with VP Bush, Regan, Shultz, Weinberger, Meese, Casey, and Poindexter.

Jan 17: Presidential Finding on Iran.

Feb 05-07: Meetings in Geneva with Nir and Ghorbanifar (CIA and NSC).

→ Feb 14: U.S. delivers 1,000 TOWs to Israel.

Feb 19-21: Meetings in London and Frankfurt (Ghorbanifar [redacted] [redacted]

→ Feb 20-21: 1,000 TOWs delivered to Tehran from Israel.

Feb 24: CIA and NSC officials met with Israeli and Iranian officials in Frankfurt.

Late Feb: 18 HAWK missiles returned to Israel.

Mar 07: CIA and NSC officials met with Israeli and Iranian officials in Paris.

Apr 17: U.S. hostage Peter Kilburn murdered in r[illegible]liation for U.S. raid on Libya.

Apr 22: Ghorbanifar arrested in Switzerland for indebtness apparently related to the FBI sting of arms sales to Iran by private citizens from the U.S., Germany, and Israel.

May 06-07: U.S. and Israeli officials met with Iranian officials in London.

May 09: Planning meeting at CIA (DDO and NSC personnel).

May 15: Terms of Reference (TOR) approved for establishing a strategic dialogue with and trip to Iran. U.S. objectives:

-- Establish a correct relationship with Iran.
-- End Iran-Iraq war.
-- Return U.S. hostages.

May 22-28: Meetings in London [redacted] Cyprus [redacted] and Tel Aviv (Nir and Rabin).

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→ May 22: U.S. delivers 508 TOWs to Israel (replacements).

May 24: Terry Waite flown to Beirut (U.S. helicopter).

→ May 25-28: McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.

Jun 10: Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.

Jun 30-Jul 02: Ghorbanifar in U.S. for discussions with CIA and NSC.

Jul 26-28: Meetings in Frankfurt (Ghorbanifar, Nir, NSC, and CIA).

→ Jul 26: Father Jenco released.

→ Aug 03: Remainder of 240 HAWK missile parts delivered to Tehran.

Aug 06: Frankfurt meetings.

Aug 10: Initial contacts with [redacted] in Madrid and London.

Sep 19-20: Discussions in Washington with new Iranian intermediary (NSC and CIA).

Sep 22-23: Meetings in London (CIA, NSC with Nir).

Oct 03: White House approves provision of intelligence to Iran [redacted]

Oct 05-07: Frankfurt meetings (CIA, NSC, Ali, Samaii).

Oct 26-28: Frankfurt (Mainz) meetings of U.S. and Iranian representatives (CIA, NSC, Israeli rep [Nir], [redacted]

→ Oct 29: 500 TOW missiles delivered to Iran from Israel.

→ Nov 02: David Jacobsen released.

Nov 05-07: Meetings in Geneva with [redacted] (NSC and CIA).

→ Nov 07: 500 TOW missiles delivered to Israel (replacements).

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DEPOSITION EXHIBIT
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(Historical Chronology)

U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

- September 1979 - [redacted] (met secretly with Bazargan at the request of the Iranians)
- October 1979 - [redacted]
- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

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Partially Declassified/Released on 22 June 1987
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By B. Reger, National Security Council

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-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have been engaged in overtures to the U.S. and Iran in an effort to stimulate direct contact between the two countries. [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In the spring of 1985, a private American citizen (Michael Ledeen) learned from an Israeli government official (David Kimche) that the Israelis had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the Iranian officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

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On July 3, 1985, during a visit to Washington, an Israeli official (Kimche) advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high-level dialogue. The Iranians were described as comprising the principal figures of the government (i.e., Speaker of the Majlis Rafsanjani, Prime Minister Musavi, and Khomeini's heir-apparent, Ayatollah Montazeri) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli as to why he found the Iranian proposal credible, given the events of the past six years. The Israeli replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks. He noted that the Iranians had exposed themselves to possible compromise by meeting with Israelis and by passing extremely sensitive intelligence on the situation (and political line-up) within Iran -- information which was proven solid. [redacted]

The Israeli asked for our position on opening such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This decision was passed to the Israeli diplomat by telephone on July 30.

On August 2, 1985, the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position to the Iranian intermediary and that the Iranians had responded that they recognized the need for both sides to have tangible evidence of the bona fides of the other and that they believed they could affect the release of the Americans held hostage in Lebanon.

According to the Israeli, the Iranians separately stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of U.S. equipment. The Israeli asked for our position on such actions.

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Mr. McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that, while he could understand that assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible materiel; at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military materiel. This was conveyed to the Israeli.

On August 22, 1985, the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the U.S. Government would be to an Israeli transfer of modest quantities of defensive military materiel. McFarlane replied that to him, such an action would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the U.S., but that a problem would arise when ultimately they needed to replace items shipped. He asked whether Israel would be able to purchase replacements for items they chose to ship. McFarlane stated that the issue was not the ability of Israel to purchase military equipment from the U.S. -- they had done so for a generation and would do so in the future -- but rather the issue was whether it was U.S. policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the Director of Central Intelligence). The President stated that, while he could envision providing materiel support to moderate elements in Iran if all the Western hostages were freed, he could not approve any transfer of military materiel at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

In late September, we learned that the Israelis had transferred 508 TOW missiles to Iran and that this shipment had taken place
30 AUG 7. — in late August. The Israelis told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding, and transportation. After discussing this matter with the President, it was decided not to expose this Israeli delivery because we

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wanted to retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic dialogue with the Iranian government. The total value of the 508 TOWs shipped by Israel was estimated to be less than $2 million.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In mid-November, the Israelis, through a senior officer in the Foreign Minister's office (Kimche), indicated that the Government of Israel was convinced that they were nearing a breakthrough with Iran on a high-level dialogue. The Israeli contacted a U.S. official (North) and asked for the name of a European-based airline which could discreetly transit to Iran for the purpose of delivering passengers and cargo. He specifically noted that neither a U.S. carrier nor an Israeli affiliated carrier could be used. We were assured, at the time, that the Israelis were going to "try oil drilling parts as an incentive," since we had expressed so much displeasure over the earlier TOW shipment. The name of the proprietary [redacted] was passed to the Israeli, who subsequently had the aircraft chartered through normal commercial contract for a flight from Tel Aviv to Tabriz, Iran, on November 25, 1985. The Israelis were unwitting of the CIA's involvement in the airline and the airline was paid at the normal commercial charter rate (approximately $127,700). The airline personel were also unwitting of the cargo they carried.

In January, we learned that the Israelis, responding to urgent entreaties from the Iranians, has used the proprietary aircraft to transport 18 HAWK missiles to Iran in an effort to improve the static air defenses around Tehran. Our belated awareness that the Israeli's had delivered HAWK missiles raised serious U.S. concerns that these deliveries were jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were returned to Israel in February 1986.

On December 7, the President convened a meeting in the White House (residence) to discues next steps in our efforts to establish direct contact with the Iranians. Attending the

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meeting were the Chief of Staff, Secretaries of State and Defense; the Deputy Director of Central Intelligence, and the Assistant to the President for National Security Affairs and his Deputy. Immediately after the meeting, Mr. McFarlane departed for London to meet with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane, as instructed by the President, stated that:

-- the U.S. was open to a political dialogue with Iran, but that no such dialogue could make progress for as long as groups seen as dominated by Iran held U.S. hostages; and

-- the U.S. could under no circumstances transfer arms to Iran in exchange for hostages.

These points were made directly to the Iranian interlocutor. The Iranian replied that, unless his associates in Tehran were strengthened, they could not risk going ahead with the dialogue. Mr. McFarlane acknowledged the position but stated we could not change our position. In a separate meeting with the Israeli official, Mr. McFarlane made clear our strong objections to Israeli weapons shipments to Iran. Following these meetings, Mr. McFarlane returned to Washington and shortly thereafter left active government service.

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. The Israelis urged that we reconsider the issue of providing limited defensive arms to those attempting to take power in Tehran, since all other incentives (economic assistance, medical supplies, machine parts) were of no value in shoring-up those who wanted an opening to the West. Admiral Poindexter noted our stringent objections to the HAWK missile shipments in November and noted that the U.S. would have to act to have them returned (a step undertaken in February, when all 18 missiles were returned to Israel). In that any implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding commenced on January 4.

On January 6, the President, the Vice President, the Chief of Staff, and the National Security Advisor and his assistant reviewed the first draft of the Finding and the recommendations made by the Prime Minister of Israel through his special emissary.

On January 7, the President met in the Oval Office with the Vice President, the Chief of Staff, Secretaries Shultz and Weinberger, Attorney General Meese, Director Casey, and the National Security

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Advisor to discuss the overall situation in Iran and prospects for a strategic dialogue. It was again noted that Mr. McFarlane, on return from his trip to London, had recommended that no further action be taken unless a mechanism could be established by which the U.S. could exert better control over events. He agreed, in principle, with Director Casey that providing limited quantities of defensive arms after the hostages were released still had merit. Both Secretary Shultz and Secretary Weinberger objected to any provision of arms, citing that we could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening our policy of not dealing with states that support terrorism. The President decided that we should attempt to keep the Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing defensive arms to Iran if all the hostages were released.

It was further determined by the President that any dialogue with the Iranians must be aimed at achieving the following goals:

-- Devising a formula for re-establishing a strategic relationship with Tehran.

- Ending the Iran-Iraq War on honorable terms.

- Convincing Iran to cease its support for terrorism and radical subversion.

- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

The President made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages. Secretaries Shultz and Weinberger retained their original position on providing any arms to Iran, but Attorney General Meese and Director Casey both supported the concept as a valid means of opening the dialogue. Attorney General Meese, noted a 1981 determination by then Attorney General French Smith that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

[redacted]

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On January 16, a meeting was held in the National Security Advisor's office with Secretary Weinberger, Attorney General Meese, Director Casey, and CIA General Counsel Stanley Sporkin. At this meeting, the final draft of the Covert Action Finding was reviewed and was forwarded to the President with Secretary Weinberger dissenting.

On January 17, 1986, the President approved a Covert Action Finding (Tab A) directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The President futher determined that the activities authorized by the Finding justified withholding prior Congressional notification due to the extreme sensitivity of the dialogue being established. He further noted that public knowledge of the program would place the American hostages in Lebanon at greater risk. Noting his concern for the lives of those carrying out the operation (both U.S. and foreign), he directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that those involved would no longer be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted], a [redacted] representative of the Israeli Prime Ministry [redacted]), a senior-level Iranian official [redacted]
6 [redacted] met in London. At this meeting, the Iranians agreed that, if the USG would provide defensive weapons (TOWs) to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, $3.7 million was deposited in the CIA account in Geneva on February 11, 1986 and on February 14, 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

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On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft. On the return flight from Iran, these aircraft carried the 18 HAWK missiles which Israel had sent to Tehran in November 1985 with USG aforeknowledge.

?

[redacted]

On February 24, U.S. (CIA and NSC) officials met again in Frankfurt with the Israeli and Iranian officials to discuss next steps. At this meeting, the U.S. side urged that the Iranians expedite a meeting among higher-level officials on both sides.

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab 8) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of recently seized Israeli hostages.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue

with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on [redacted]

The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) act urgently to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

On May 16, the Iranians, through the Israelis provided $6.5m for deposit in the CIA secure funding mechanism. The funds were used to acquire 508 TOW missiles (for replenishing the TOWs Israel shipped in September 1985) and acquiring HAWK missile electronic spare parts. This material was subsequently moved to [redacted] repackaged and shipped to Kelly AFB for onward movement to Israel on May 22. As in the February shipment, the CIA provided logistics support for the movement of this material to Israel.

In order to ensure operational security, the McFarlane trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare

electronic portal. At the specific request of the Iranians, alias foreign documentation [redacted] -- obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

In the course of the four-day (May 25-28) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan and the Soviet threat to the Gulf) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war

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to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the Western hostages in Lebanon.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarchy. In mid-August, a private American citizen (MGEN Richard Secord, USAF [Ret.]) acting within the purview of th [redacted] with the assistance of the CIA. This Iranian [redacted] was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided assessments designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The assessments also detailed the Soviet threat to Iran.

C.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

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The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted]. The Iranians have also offered to provide a copy of the 400 page interrogation of Beirut Station Chief William Buckley. At this meeting, [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

C. Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating; [redacted] On November 2, David Jacobsen was released by his captors near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montazeri, for acts of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their

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contacts with more radical Hizballah elements. [redacted]

On November 7, the day after a meeting with U.S. officials, Iranian government authorities arrested six other individuals involved in radical activities. Among the two were senior military officers and a Majlis deputy (Ahmad Kashani), the grandson of Ayatollah Kashani, a conspirator in the 1949 attempt against the Shah.

Despite these internal difficulties and extended publicity in the Western media, the Iranians continued to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives. [redacted] the two principal Iranian contacts
C. continue to communicate with the U.S. [redacted] the Iranians still intend to deliver the T-72 tank
D. [redacted] "positive statement" will be made in the near future by Rafsanjani.
D.C [redacted] Both [redacted] warned that further disclosures could harm them personally and the longer-term interests of the two countries.

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We do not know who seized the last three American hostages in Beirut (Messrs. Reed, Cicippio, and Tracy). The Islamic Jihad Organization (IJO) has disclaimed responsibility -- as have our Iranian interlocutors. [redacted] It is possible that these three Americans were kidnapped at the direction of Iranian radicals

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loyal to the now imprisoned Mehdi Hashemi. If so, this could be an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the pragmatic faction with which we have been in contact.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 U.S. TOWs and 235 HAWK missile electronic spare parts was undertaken within the provisions of a Covert Action Finding.

During the course of this operation -- and before -- the U.S. was cognizant of only three shipments from Israel to Iran. Specifically:

-- The Israelis acknowledged the August 1985 shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The November 1985 shipment of 18 Israeli HAWK missiles was not an authorized exception to policy. This shipment was retrieved in February 1986 as a consequence of U.S. intervention.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- CIA communications officers and an annuitant to assist in various phases of the operation.

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

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-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- Fabricated and alias documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program were judged to be inadequate to alter either the balance of military power or the outcome of the war with Iraq. They have, however, demonstrated the U.S. commitment to Iranian territorial integrity and served to support those in Iran interested in opening a strategic relationship with the U.S. U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 would not be received in Iranian territory if it left Karachi.

-- [redacted]

-- The release of three American and at least two French hostages.

-- The initiation of an Iranian dialogue with their regional neighbors.

-- Continued delay in the Iranian "final offensive."

Finally, it must also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

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17 Nov 86

DEPOSITION EXHIBIT
CSC-30
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III. SOVIET MILITARY POSTURE

-- Moscow has designs on parts of Iran. [redacted]

-- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.

-- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.

-- U.S. is aware of Soviet activity [redacted]

-- Soviet plans [redacted] How they would do it.

-- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult ($100 million in oil, plus arms).

-- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

-- May be real value for Iran and U.S. to find ways to [redacted]

-- U.S. can provide humanitarian assistance for refugees [redacted] well as lethal aid for Mujahideen.

-- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

V. HARDWARE

-- We may be prepared to resume a limited military supply relationship.

-- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.

-- What does Iran want?

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U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and to try and reestablish a constructive working relationship. Even before President Reagan came to office the U.S. Government agreed to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 [redacted]

-- October 1979 [redacted]

-- October-November 1979 [redacted] discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they precipitated the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts on our part to try to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran, the key to a region of vital importance to the West, is increasingly threatened by growing Soviet military and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran which serves Soviet strategic interests in the area.

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-- Communist nations have become principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly threatening Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the Communist influence in Iran stems from:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to significantly improve their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact. [redacted] About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. However, internal splits and debates made it difficult for them to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In 1985, a private American citizen (Michael Ledeen) was approached by a representative of the Israeli government (David Kimche), who reported that they had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The Israelis analyzed this intermediary's background exhaustively in order to validate his legitimacy. This analysis led them to have extremely high confidence in his standing and genuine relationship to the highest Iranian officials. Based in large part upon the Israeli evaluation and in recognition of the clear U.S. interest in a dialogue that might, over time, lead to the moderation of Iranian policies, the U.S. established an indirect contact with the Iranian intermediary in mid-1985, through the private U.S. citizen and a senior Israeli official. These contacts were established through the National Security Council staff with the full knowledge of appropriate Cabinet officers. From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of state policy.

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In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough in their contact with Iran and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

RECORD OF U.S. EFFORTS [illegible] TO DESIST
CHECK [illegible]

On August 22, 1985, the U.S., through the U.S. citizen intermediary, acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. We were subsequently informed that the delivery had taken place at the end of August, though we were not aware of the shipment at the time it was made. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government.

CHECK WITH [illegible] [illegible]

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed

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Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, the Israelis, responding to urgent entreaties from the Iranians, provided 18 basic HAWK missiles to Iran in order to improve the static defenses around Tehran. The Israeli delivery of HAWK missiles raised U.S. concerns that we could well be creating misunderstandings in Tehran and thereby jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. These missiles were subsequently returned to Israel in February 1986, with U.S. assistance. On December 6-8, 1985, the National Security Advisor met (in London) with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At that meeting, Mr. McFarlane stated that our goals were as follows:

- Devising a formula for re-establishing a strategic relationship with Tehran.
- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

Mr. McFarlane made clear that a Western dialogue with Iran would be precluded unless Iran was willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages.

On January 3 9, 1986, the President approved a covert action Finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. In accord with extant statutes, the President directed that the Director of Central Intelligence ~~refrain from~~ reporting the Finding to the appropriate committees of the Congress until reasonably sure that the lives of those carrying out the operation (both U.S. and foreign) would not be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted], a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted]

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-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain material authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, funds were deposited in the CIA account in Geneva on February 11, 1986 and on February 14 1,000 TOWs were transported to Israel for pre-positioning. The TOWs were off-loaded and placed in a covert Israeli facility.

On February 19-21, U.S. and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21.

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[redacted]

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effort in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on Libya. [redacted] The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

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-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the hostages.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint. On August 3, three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran (from Israel).

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF [Ret.]) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] of a senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian (Ali) was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided intelligence designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new and Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 [redacted] At this meeting, [redacted] stated that there was a "very good chance that another American or two would be reed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment (500 TOW missiles) of these defensive weapons.

Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this was part of the purpose of the Iranian Foreign Minister's visit to Syria. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating; [redacted] On November 2, David Jacobsen was driven to a point near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a highly fabricated version of the May 1986 McFarlane mission in his

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November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Aytollah Montezari, for acts of terrorism and treason has caused further internal conflict. Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hisballah elements. [redacted] Despite these internal difficulties [illegible] attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives. [redacted]

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the US. We believe that the September-October kidnappings of Messrs. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact. [redacted] Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapprochement with Iran we are seeking.

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Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 TOWs and 235 HAWK missile parts was undertaken under the provisions of a covert action Finding.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- Alias documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program are in no way adequate to alter the balance of military power nor the outcome of the war with Iraq. They have, however, had a positive effect on the Afghan resistance and demonstrated the U.S. commitment to Iranian territorial integrity. Further, U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 could not leave Karachi for Iranian territory.

-- [redacted]

-- The release of three American and two French hostages.

It should also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

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All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

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U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 [redacted] (met secretly with Bazargan at the request of the Iranians)

-- October 1979 [redacted]

-- October-November 1979 - [redacted] discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

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11-24-86

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by S. [illegible]

-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have been engaged in overtures to the U.S. and Iran in an effort to stimulate direct contact [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In the spring of 1985, a private American citizen (Michael Ledeen) learned from an Israeli government official (David Kimche) that the Israelis had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the Iranian officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

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On July 3, 1985, during a visit to Washington, an Israeli official (Kimche) advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high-level dialogue. The Iranians were described as comprising the principal figures of the government (i.e., Speaker of the Majlis Rafsanjani, Prime Minister Musavi, and Khomeini's heir-apparent, Ayatollah Montazeri) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli as to why he found the Iranian proposal credible, given the events of the past six years. The Israeli replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks. He noted that the Iranians had exposed themselves to possible compromise by meeting with Israelis and by passing extremely sensitive intelligence on the situation (and political line-up) within Iran -- information which was proven valid.

The Israeli asked for our position on opening such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This decision was passed to the Israeli diplomat by telephone on July 30.

On August 2, 1985, the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position to the Iranian intermediary and that the Iranians had responded that they recognized the need for both sides to have tangible evidence of the bona fides of the other and that they believed they could affect the release of the Americans held hostage in Lebanon.

According to the Israeli, the Iranians separately stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of U.S. equipment. The Israeli asked for our position on such actions.

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Mr. McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that, while he could understand that assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible materiel; at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military materiel. This was conveyed to the Israeli.

On August 22, 1985, the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the U.S. Government would be to an Israeli transfer of modest quantities of defensive military materiel. McFarlane replied that to him, such an action would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the U.S., but that a problem would arise when ultimately they needed to replace items shipped. He asked whether Israel would be able to purchase replacements for items they chose to ship. McFarlane stated that the issue was not the ability of Israel to purchase military equipment from the U.S. -- they had done so for a generation and would [illegible] in the future -- but rather the issue was whether it was U.S. [illegible] to ship [illegible] allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the Director of Central Intelligence). The President stated that, while he could envision providing materiel support to moderate elements in Iran if all the Western hostages were freed, he could not approve any transfer of military materiel at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

In late September, we learned that the Israelis had transferred 508 TOW missiles to Iran and that this shipment had taken place in late August. The Israelis told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding, and transportation. After discussing this matter with the President, it was decided not to expose this Israeli delivery because we

Note: there is [illegible] evidence [illegible] an [illegible] arms shipment [illegible]

shipment [illegible] to Iran [illegible] There is also some [illegible] that the shipment consisted of TOWs.

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wanted to retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic dialogue with the Iranian government. The total value of the 508 TOWs shipped by Israel was estimated to be less than $2 million.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefings of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In mid-November, the Israelis through a senior officer in the Prime Minister's office (Amiram Nir), indicated that the Government of Israel was convinced that they were nearing a breakthrough with Iran on a high-level dialogue. The Israeli asked a U.S. official (North) for the name of a European-based airline which could discreetly transit to Iran for the purpose of delivering passengers and cargo. We were assured, at the time, that the Israelis were going to "try oil drilling parts as an incentive," since we had expressed so much displeasure over the earlier TOW shipment. The name of the proprietary [redacted] was passed to the Israeli, who subsequently had the aircraft chartered through normal commercial contract for a flight from Tel Aviv to Tabriz, Iran, on November 25, 1985. In January, we learned that the Israelis, responding to urgent entreaties from the Iranians, used the aircraft to transport 18 HAWK missiles to Iran in an effort to improve the static air defenses around Tehran. The Israelis were unwitting of the CIA's involvement in the airline and the airline was paid at the normal commercial rate (approximately $127,700). The airline personel were also unwitting of the cargo they carried.

Note: According to [illegible]

[redacted]

Notes of [illegible] Nov. 18.

The Israeli delivery of HAWK missiles raised serious U.S. concerns that these deliveries were jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were subsequently returned to Israel in February 1986.

The CIA knew by U.S. [illegible] munitions.

On December 7, the President convened a meeting in the White House (residence) to discuss next steps in our efforts to establish direct contact with the Iranians. Attending the

The CIA was so concerned that it drafted a [illegible] which when signed [illegible] all previous [illegible]

Note: According to [illegible] [redacted] [illegible]

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meeting were the Chief of Staff, Secretaries of State and Defense, the Deputy Director of Central Intelligence, and the Assistant to the President for National Security Affairs and his Deputy. Immediately after the meeting, Mr. McFarlane departed for London to meet with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane, as instructed by the President, stated that:

-- the U.S. was open to a political dialogue with Iran, but that no such dialogue could make progress for as long as groups seen as dominated by Iran held U.S. hostages; and

-- the U.S. could under no circumstances transfer arms to Iran in exchange for hostages.

These points were made directly to the Iranian interlocutor. The Iranian replied that, unless his associates in Tehran were strengthened, they could not risk going ahead with the dialogue. Mr. McFarlane acknowledged the position but stated we could not change our position. In a separate meeting with the Israeli official, Mr. McFarlane made clear our strong objections to the Israeli shipment of the TOW missiles. Following these meetings, Mr. McFarlane returned to Washington and shortly thereafter left active government service.

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. The Israelis urged that we reconsider the issue of providing limited defensive arms to those attempting to take power in Tehran, since all other incentives (economic assistance, medical supplies, machine parts) were of no value in shoring-up those who wanted an opening to the West. Admiral Poindexter noted our stringent objections to the HAWK missile shipments in November and noted that the U.S. would have to act to have them returned (a step undertaken in February, when all 18 missiles were returned to Israel). In that any implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding commenced on January 4.

On January 6, the President, the Vice President, the Chief of Staff, and the National Security Advisor and his assistant reviewed the first draft of the Finding and the recommendations made by the Prime Minister of Israel through his special emissary.

On January 7, the President met in the Oval Office with the Vice President, the Chief of Staff, Secretaries Shultz and Weinberger, Attorney General Meese, Director Casey, and the National Security

Advisor to discuss the overall situation in Iran and prospects for a strategic dialogue. It was again noted that Mr. McFarlane, on return from his trip to London, had recommended that no further action be taken unless a mechanism could be established by which the U.S. could exert better control over events. He agreed, in principle, with Director Casey that providing limited quantities of defensive arms *after* the hostages were released still had merit. Both Secretary Shultz and Secretary Weinberger objected to any provision of arms, citing that we could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening our policy of not dealing with states that support terrorism. The President decided that we should attempt to keep the Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing defensive arms to Iran if all the hostages were released.

It was further determined by the President that any dialogue with the Iranians must be aimed at achieving the following goals:

-- Devising a formula for re-establishing a strategic relationship with Tehran.

- Ending the Iran-Iraq War on honorable terms.

- Convincing Iran to cease its support for terrorism and radical subversion.

- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

The President made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages. Secretaries Shultz and Weinberger retained their original position on providing any amrs to Iran, but Attorney General Meese and Director Casey both supported the concept as a valid means of opening the dialogue. Attorney General Meese noted a 1981 determination by then Attorney General French Smith that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

[redacted]

On January 16, a meeting was held in the National Security Advisor's office with Secretary Weinberger, Attorney General Meese, Director Casey, and CIA General Counsel Stanley Sporkin. At this meeting, the final draft of the Covert Action Finding was reviewed and was forwarded to the President with Secretary Weinberger dissenting.

On January 17, 1986, the President approved a Covert Action Finding (Tab A) directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The President futher determined that the activities authorized by the Finding justified withholding prior Congressional notification due to the extreme sensitivity of the dialogue being established. He further noted that public knowledge of the program would place the American hostages in Lebanon at greater risk. Noting his concern for the lives of those carrying out the operation (both U.S. and foreign), he directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that those involved would no longer be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted] a representative of the Israeli Prime Ministry [redacted]am Nir), and a senior-level Iranian official [redacted] met in London. At this meeting, the Iranians agreed that, if the USG would provide defensive weapons (TOWs) to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, $3.7 million was deposited in the CIA account in Geneva on February 11, 1986 and on February 14, 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

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On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

[redacted]

On February 24, U.S. (CIA and NSC) officials met again in Frankfurt with the Israeli and Iranian officials to discuss next steps. At this meeting, the U.S. side urged that the Iranians expedite a meeting among higher-level officials on both sides.

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab B) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of recently seized Israeli hostages.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue

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with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on Libya. [redacted] The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) take immediate steps to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors.

On May 16, the Iranians, through the Israelis provided $6.5M for deposit in the CIA secure funding mechanism. The funds were used to acquire 508 TOW missiles (for replenishing the TOWs Israel shipped in September 1985) and acquiring HAWK missile electronic spare parts. This material was subsequently moved to [redacted] repackaged and shipped to Kelly AFB for onward movement to Israel on May 22. As in the February shipment, the CIA provided logistics support for the movement of this material to Israel.

In order to ensure operational security, the McFarlane trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare

electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] -- obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

In the course of the four-day (May 25-29) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel [illegible] from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan and the Soviet threat to the Gulf) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war

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to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the Western hostages in Lebanon.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF [Ret.]) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] a relative [redacted] of a senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian [redacted] was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided assessments designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The assessments also detailed the Soviet threat to Iran.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

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The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] The Iranians have also offered to provide a copy of the 400 page interrogation of Beirut Station Chief William Buckley. At this meeting, [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating; [redacted] On November 2, David Jacobsen was released by his captors near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montazari, for acts of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their

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[redacted]

On November 7, the day after a meeting with U.S. officials, Iranian government authorities arrested six other individuals involved in radical activities. Among the two were senior military officers and a Majlis deputy (Ahmad Kashani), the grandson of Ayatollah Kashani, a conspirator in the 1949 attempt against the Shah.

Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives. [redacted] the two principal Iranian contacts continue to communicate with the U.S. [redacted] the Iranians still intend to deliver the T-72 tank [redacted] "positive statement" will be made in the near future by Rafsanjani. [redacted] Both [redacted] have warned that further disclosures could harm them personally and the longer-term interests of the two countries.

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We do not know who seized the last three American hostages in Beirut (Messrs. Reed, Cicippio, and Tracy). The Islamic Jihad Organization (IJO) has disclaimed responsibility -- as have our Iranian interlocutors. [redacted] It is possible that these three Americans were kidnapped at the direction of Iranian radicals

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loyal to the now imprisoned Mehdi Hashemi. If so, this could be an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the pragmatic faction with which we have been in contact.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 U.S. TOWs and 235 HAWK missile electronic spare parts was undertaken within the provisions of a Covert Action Finding.

During the course of this operation -- and before -- the U.S. was cognizant of only three shipments from Israel to Iran. Specifically:

-- The Israelis acknowledged the August 1985 shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The November 1985 shipment of 18 Israeli HAWK missiles was not an authorized exception to policy. This shipment was retrieved in February 1986 as a consequence of U.S. intervention.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- CIA communications officers and an annuitant to assist in various phases of the operation.

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- Fabricated and alias documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program were judged to be inadequate to alter either the balance of military power or the outcome of the war with Iraq. They have, however, demonstrated the U.S. commitment to Iranian territorial integrity and served to support those in Iran interested in opening a strategic relationship with the U.S. U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 would not be received in Iranian territory if it left Karachi.

-- [redacted]

-- The release of three American and at least two French hostages.

-- The initiation of an Iranian dialogue with their regional neighbors.

-- Continued delay in the Iranian "final offensive."

Finally, it must also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

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2 pages denied in their entireties.

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OLC 10

UNCLASSIFIED Ollie North

DEPOSITION EXHIBIT

SUBJECT: Background and Chronology of Special Project

BACKGROUND: The USG has actively sought the release of American hostages held in Iran through various channels since 1984. In addition, the USG has been interested in getting the Government of Iran to moderate its support for international terrorism. As it became clear that some of the hostages were being held by the pro-Iranian faction of the Hizballah, it was felt that the Iranian Government might be able to put pressure on the Hizballah to release its hostages.

In late 1984, Michael Ledeen approached the NSC to discuss contacts with Iran and suggested the NSC work with Israeli officials who already had contacts with Iran based on their covert arms deals with that country. Ledeen met with Prime Minister Peres who agreed to help and introduced Ledeen to David Kimche and Jacob Nimradi, two other Israeli officials. These two Israelis, in turn, introduced Ledeen to Manucher Gorbanifar, an Iranian arm merchant operating in Europe who was actively involved with the Israelis. Ledeen introduced Gorbanifar to NSC officials. Gorbanifar appeared to be well tied in with various factions within the Iranian Government and he served as the intermediary between the NSC and the Iranians.

In June 1985, the Hizballah hijacked TWA flight 847 and Iranian Majlis Speaker Rafsanjani played an important role in resolving that incident, which included the release of a number of Lebanese Shi'a held by Israel.

Throughout 1985 NSC contacts with Ledeen, Gorbanifar, and the Israelis continued. In summer 1985, NSC [redacted] officials first met Amiran Nir, an Israeli official on Peres' staff who was to become the principal Israeli contact in NSC dealings with Gorbanifar and the Iranians.

In early September 1985, the CIA was asked by the NSC to [redacted] on Iranian communications due to the imminent release of an American hostage. The NSC informed the
B. CIA that Gorbanifar and [redacted] were involved.

On 14 September 1985, Reverend Weir was released by the Hizballah. At the same time, the Israelis, at NSC behest, delivered 508 TOW missiles to Iran. Since the Iranians would not pay for the TOW missiles until they were delivered, and since the NSC was instructed not to use any USG funds for the operation, Gorbanifar used his contacts with Saudi financier Adnan Khashoggi to come up with $5 million USD to pay for the

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TOW missiles. The NSC agreed to provide the Israelis with 508 TOW missiles to replace those they provided for the operation. The aircraft carrying the TOW missiles delivered them to Tabriz but had problems during the return flight which forced a technical stop [redacted] before returning to Israel.

On 3 October 1985, the Hizballah announced they ~~have~~ had killed hostage Buckley, though later debriefings of released hostages indicate he probably died in early June 1985.

In November 1985, as the next step in the operation, the NSC arranged for Israel to send 18 [redacted] HAWK missiles to Iran. However, the Israelis neglected to remove the Israeli markings from some of the missiles. This oversight, plus the fact that the Iranians had been led to expect they would be receiving [redacted] HAWK missiles, led to a huge disagreement which caused further developments to grind to a halt.

B. In December 1985, McFarlane left the NSC and Poindexter ordered Ledeen out of the operation and made Ollie North directly responsible for dealing with Gorbanifar [redacted] On the Israeli side, Nimradi was replaced as the primary contact by Amiran Nir.

In January 1986, the President approved the operation to work with the Iranians for the release of hostages in return for military equipment. The CIA ~~is~~ was asked to provide logistical and operational support.

B. In early 1986, contacts with Gorbanifar serving as a go-between to [redacted] continue.

In mid- February, the NSC delivers 1000 TOWs to Iran.

B. In March 1986, Gorbanifar [redacted] meet with the NSC in Germany. The NSC are given a list of spare parts for HAWK missile batteries and radars requested by the Iranians. CIA then works with select number of DOD officials to obtain the spare parts. It is agreed that the spare parts plus more TOW missiles will be delivered to Iran at the successful conclusion of a meeting between NSC officials and Iranians in Tehran.

To provide the US with the money for the spare parts and TOW missiles, Gorbanifar must again finance the deal. He raises 16 million dollars which is passed to the US, with the expectation that the Iranians will, in turn, pay him once the items have been delivered. Gorbanifar again works with

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Khashoggi to raise the money from several Canadian, American, and Arab investors.

On 22 April 1986, a U.S. Customs Service "Sting" Operation in Switzerland under the State Department's "Operation Staunch" disrupts a large on-going Iranian arms procurement deal being run by Gorbanifar. This deal was unrelated to the NSC operation. Gorbanifar is arrested by the Swiss, but released after 24 hours. Gorbanifar loses the money he and Khashoggi put into that particular operation, funds probably raised from the investors for the NSC operation.

On 15 May 1986, Gorbanifar finally comes up with sufficient funds for the next step of the NSC operation and a meeting is arranged to take place in Tehran.

On 22 May 1986, HAWK missile spare parts are picked from Kelly AFB and flown to Israel and the US team departs for Europe.

On 23 May, a second aircraft picks up 508 TOW missiles and flies to Israel.

On 24 May the US team goes to Israel where Nir joins them for the trip to Tehran. The Team departs for Tehran. They bring along some of the Spare Parts to show the Iranians their good faith.

On 25 May, the US team arrives in Tehran and holds meetings with the Iranians. However, the meetings do not go well, probably because the Iranian factional concensus is falling apart. The second aircraft load of spare parts is recalled while on its way to Iran and returns to Israel. The US team departs after five days, having made no progress.

In June and July 1986, talks with Gorbanifar and [redacted] continue and it is decided that the Iranians must show their good faith by forcing the Hizballah to release another hostage. In July Gorbanifar goes to Lebanon and Syria in an effort to get Father Jenko released.

On 26 July 1986, Father Jenko is released.

On 3 August 1986, the remainder of the HAWK spare parts that have been collected are delivered to Iran. The spare parts are picked up at Kelly AFB and flown to Iran via Israel.

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DEPOSITION
EXHIBIT
CSC-33
6/23 JT

THE PRESIDENTIAL FINDING

Let me begin by stating the obvious. Iran is one of the most important states in the Middle East. Its strategic location and oil resources make it a country of critical significance to U.S. and western interests in the area.

It is also a longstanding Soviet target. Soviet interest is reflected in the fact that they have twice established short-lived independent communist republics in Northern Iran since World War I. Soviet interest in Iran has not waned and we know that they are working hard to extend their influence with the present regime and possible successors.

The U.S. has been trying to reestablish official contact with Iran and develop a working relationship ever since the Islamic revolution. We have tried to do so because Iran is, quite simply, a geopolitical force which neither we, nor the Soviets, can afford to ignore.

We also must not forget the hostages. The simple fact of the matter is that U.S. citizens are being held by terrorist groups over which Iran has some influence. We have an obligation to do what we can [illegible] move Iran away from terrorism and to get our fellow citizens back.

It was against that backdrop that the President signed a Finding on 17 January directing the CIA to provide operational and logistical support for a program aimed at (1) establishing a more moderate government in Iran, (2) obtaining intelligence to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts and (3) furthering the release of American hostages held in Beirut and preventing further terrorist acts by these groups.

The Finding stated that the USG will provide moderate elements within the Government of Iran with arms, equipment and related materiel in order to enhance the credibility of these elements in their efforts to achieve a more moderate government in Iran by demonstrating their ability to obtain resources to defend their country.

In the Finding, the President directed the CIA to refrain from reporting the Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until otherwise directed.

[redacted]

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Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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At the time the Presidential Finding was signed, the CIA's Office of General Counsel advised me that the President clearly has the authority to withhold prior notice of operations from the Congress. Section 501 of the National Security Act expressly provides that notification of intelligence activities to the Congress shall be provided "to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution."

The Act also states that the Intelligence Committees be given timely notice of activities, for which no prior notice was given. This was a clear recognition that extraordinary circumstances could lead the President to conclude that notice of an operation should be withheld, in whole or in part, until an appropriate time as determined by the President.

The history to the oversight act clearly recognizes the accommodation that was reached on this issue. The subsequent procedures agreed upon by the DCI and the SSCI on reporting covert action operations provide that advance reporting of such operations would be subject to the exceptional circumstances contemplated in Section 501 of the National Security Act.

The President determined that the activities authorized by the Finding justified withholding prior notification due to the extreme sensitivity of the dialogue being established. In addition, had the fact of this program become known, the American hostages in Lebanon would be put at a greater risk.

That's the legal justification for not informing Congress. The reason why Congress was not informed was, quite simply, a very real concern for the lives of those carrying out the operation. That concern, particularly when you have people travelling to Iran, was not exaggerated.

Earlier experience in conducting secret talks with Iranian officials showed the risk involved should the fact of such discussions become public. In 1979, President Carter's National Security Advisor Zbigniew Brzezinski held such talks with then Iranian Prime Minister Bazargan. Following the public disclosure of those contacts, radical students took over the American Embassy in Tehran, taking the staff hostage, and the Bazargan Government fell.

Throughout the course of the activities undertaken by the CIA to fulfill the directives of this Finding, only a handful of officials were involved. Current procedures involving

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notification of the oversight committees would have required that two or three times as many individuals be informed than were aware of the activity within the CIA. This is the only Finding since the signature of the 1980 oversight act that has not been briefed to the Committees. In fact, the only other Finding that has not been briefed since the inception of the oversight process was the Iranian hostage rescue mission.

Now I would like to explain exactly what activities were undertaken by the CIA in carrying out the directives of this Finding signed on 17 January 1986.

CHRONOLOGY

In late November 1985, the NSC asked CIA for the name of a discreet, reliable airline which could assist the Israelis in transporting a planeload of Israeli Hawk missiles to Iran. The name of our proprietary airline was given to the NSC which, in turn, passed it to one of the intermediaries dealing with the Iranians.

That intermediary, who was unwitting of CIA's involvement with the airline, hired the airline to transport a Boeing 707 load of weapons from Tel Aviv to Tehran. The airline was paid the normal commercial rate which amounted to approximately $127,700. The people in the proprietary did not know what was being shipped.

When senior CIA management learned that this had occurred, it was decided that a Finding was necessary before the Agency could provide any future support of this type.

That was the only CIA support provided prior to the Finding.

On 26 January, a CIA officer (Charlie Allen) provided limited, general information [redacted] This information was provided to the Iranian intermediary (Ghorbanifar) for passage to Iranian officials.

B. On February 5-7, U.S. officials (NSC), a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted] met in Germany. At this meeting, the Iranians agreed that, if the USG would provide TOW missiles to Iran, the Iranians would [redacted] The U.S. agreed to explore this possibility and, working with the Israelis,

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established the following mechanism for transfer of the weapons:

--The Iranian intermediary (Ghorbanifar) would deposit funds in a European account.

--The funds would then be transferred to a sterile U.S.-controlled account in an overseas bank.

--Using these funds, the CIA would work with the Army Logistics Command to obtain the material. This type of activity, conducted under the Economy Act, is the routine method for obtaining U.S. military materiel for CIA Covert Action Operations from DoD. None of the working level DoD personnel involved were aware of the eventual destination of the weapons.

--The materiel was then transported to Israel for future shipment to Iran.

Using the procedures stipulated above, $3.7 million was deposited in the CIA account in Geneva on February 11, 1986 for the purchase of 1,000 TOW missles and associated costs.

On 15 February, Office of Logistics personnel delivered the 1000 TOW missles to Kelly Air Force Base. The missles were then transported to Israel for onward shipment to Iran. CIA was not involved in the transportation of this shipment.

On February 19-21, U.S. and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials.

On 24 February, the same U.S. officials traveled to Germany where they met with the intermediary and an Iranian Government official. At that meeting, the Iranian official provided a list of varying quantities of approximately 240 different spare parts needed for the Hawk missile batteries provided by the USG to Iran during the Shah's reign. The Iranian official asked for USG assistance in obtaining these spare parts as additional proof that this channel had the approval of the highest authority in the USG.

On 25 February, the U.S. officials provided the Iranians with limited, vague information [redacted]

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

Throughout March and April, the Office of Logistics worked with DoD to clarify the items on the Iranians' list of spare parts and identify which items were in DoD stocks. We were informed that the Iranians had agreed that high level Iranian officials would meet with a USG team that would come to Tehran with the spare parts.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, a CIA communicator, members of the NSC staff, and the Israeli and Iranian interlocutors.

On 16 May 1986, the Iranians provided $6.5 million for Hawk spare parts and an additional 508 TOW missiles. The receipt of the Iranian funds set into motion arrangements for the planned visit to Iran as follows:

--The Office of Communications provided secure communication equipment and the services of a communications officer to travel into Iran with the U.S. team.

--The Office of Technical Services was tasked to provide ten [redacted] passports for use by the team and the air crew of the aircraft that would fly from Israel to Tehran. The Iranians insisted on the use of non-U.S. passports. [redacted] passports were chosen because the aircraft used for the journey carried [redacted] registration numbers.

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--The Office of logistics assembled the available Hawk missle spare parts at Kelly Air Force Base. The parts were then transported to Israel, but the CIA was not involved in their transfer.

--The Office of Logistics delivered 508 TOW missles to Kelly Air Force Base for onward shipment to Israel. CIA was not involved in their shipment.

On 25 May the U.S. team traveled to Tehran via Israel. The CIA provided two members of the team--a communications officer and a Farsi speaking annuitant with considerable experience in Iranian affairs. The annuitant provided translation services and advice to the team. He continued to be involved in subsequent meetings with Iranian representatives.

The U.S. team brought several aircraft pallet loads of Hawk missle spare parts with them to Tehran at the time of the meeting. However, it was decided that the greater portion of the spare parts would stay in Israel for later delivery to Iran pending further progress in establishing the dialogue. We understand that those spare parts were ultimately delivered to Iran.

The U.S. team also provided the Iranians with [redacted]

On 19 September three Iranians travelled to the U.S. for detailed discussions with the ~~NSC officials~~. These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided [redacted] designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. [redacted]

Throughout August and September, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts in an effort to develop the dialogue authorized by the Presidential Finding.

On 6 October, those Iranians traveled to Frankfurt for meetings with the U.S. team. [redacted]

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On 26 October, more meetings were held in Frankfurt with the same participants. [redacted]

During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranians urged that we take a more active role in support [redacted] and suggested again that, if we could provide additional TOW weapons to Iran, [redacted]

The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] That tank should be in our hands shortly.

On 2 November, the Iranians provided $2.037 million and the Office of Logistics procured 500 more TOW missles from DoD.

Those missles were delivered by the Office of Logistics to Kelly Air Force Base on 5 November. A USAF C-141 aircraft carried the missles [redacted] where they were transhipped to a CIA air proprietary aricraft which carried the missles to Israel.

On 9 November, the U.S. team held another meeting with one of the Iranian officials from the Iranian team.

This brings the record of CIA involvement in these activities authorized by the 17 January 1986 Presidential Finding up to date as of the present time. We should note that none of the weapons came from CIA stocks.

We have received no requests from the NSC to acquire any more materiel of any type for shipment to Iran under this program.

I would like to reiterate that the funds for the procurement of the materiel ennumerated above, as well as for all associated costs, were provided by the Iranians themselves. Funding from Iran was transferred to CIA for deposit in a covert funding mechanism. This action provided secure means for control, payment, and accountability of all funding associated with this program. The funds provided by Iran, a total of $12,037,000, remained in a special account in a Swiss bank, and costs were paid directly from the account.

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The only costs incurred by the CIA in this activity were expenses for the travel of CIA officers involved in the various meetings, the costs of hotel rooms [redacted] for the two October meetings held in Germany, and operational support [redacted] amounting to approximately $48,000. The costs for this support have been charged against normal operational accounts. Since all travel by CIA officials is routinely charged to such accounts, to do otherwise in the case of the trips undertaken during this program would have compromised the security of the activities.

LEGALITY OF ARM SHIPMENTS

Questions which have appeared in the media as to the legality of the arms shipments raise the question as to whether or not the CIA was responding to a legal order.

At the time the Presidential Finding was signed, applicable legal authorities were reviewed and it was determined that there is clear and ample authority for the President to approve transfers outside the context of the Foreign Assistance Act and Arms Export Control Act. Those laws were not intended and have not been applied by Congress to be the exclusive means for sale, loan or provision of U.S. military equipment to foreign governments.

CIA's legal authority to furnish U.S. military equipment to foreign governments on a covert basis is based on language contained in Section 102 (d) of the National Security Act of 1947, which provides that it shall be the duty of the CIA, under NSC direction, to perform services of common concern for the benefit of intelligence agencies and to perform "such other functions and duties relating to intelligence affecting the national security as the National Security Council may from time to time direct." In short, it is clear that legal authority exists for CIA to transfer U.S. military equipment abroad outside the foreign military sales and assistance statutory framework when the activity is in furtherance of a legitimate and authorized CIA mission; that is, a special activity or intelligence collection operation.

This fundamental and underlying legal conclusion has been arrived at by the CIA Office of General Counsel and has been confirmed by the Attorney General. A transfer is legal.

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therefore, if we can show that the transfer is in the furtherance of an approved and legitimate intelligence activity and, for covert action, that there is a signed Presidential Finding covering the activity as provided by the Hughes-Ryan Amendment.

The next question is how the CIA obtains the material it needs in order to meet those legitimate intelligence interests. CIA's legal authorities permit it to obtain military equipment if it is available on the open market. If that is not the case, or if the equipment cannot be provided as conveniently or cheaply by a commercial enterprise, CIA can utilize the Economy Act to obtain the necessary items from the Department of Defense. Of course, transfers of U.S. military equipment in general ought to be, and are in fact, made to foreign governments under the U.S. foreign assistance program. However, it is important to point out that any decision to have CIA supply U.S. military equipment inherently involves a determination that the foreign military assistance framework is inappropriate for that purpose. Obviously, the very purpose and nature of the operation for which CIA's extraordinary authorities have been utilized are incompatible with the concept underlying overt U.S. foreign aid programs.

Let me assure you that at the time the decision to go forward with the Presidential Finding for this sensitive operation was made, these legal authorities were reviewed in order to ensure that this Agency was in full compliance with the law.

CONCLUSION:

Let me make it perfectly clear that it was apparent to all that this initiative was a controversial one. Even those of us who supported going forward understood that it was a close call and a risky operation. There were no illusions.

Was it a reasonable call? Yes, I think it was. As the health of Khomeini has declined over the past year, we have seen an increase in factional infighting in Tehran. This infighting has been sharpened by severe economic problems, as well as the war with Iraq. There have been numerous arrests. This factional infighting has implications for both the United States and the Soviet Union. It was the Administration's

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judgement that any powerful Iranian faction seeking to reestablish ties with the West and willing to attempt to curtail Iranian support for terrorism was worth talking to.

It was in that context that the judgement was made that providing a small amount of defensive weapons would give this faction some leverage in the internal struggle by suggesting that there were advantages in contacts with the West.

As I stated earlier. Iran is not going to go away. Its geographic and strategic position guarantee that it will remain a geopolitical force which the U.S. will have to deal with. If we do not establish ties to the various Iranian factions now, we will be faced with the problem of doing so later. It is that simple.

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EXHIBIT
CJC-34

Tom Green — 11/24/86
reps N. + Second.

F – law re 3rd ps ~~[illegible]~~ + 3rd countries was in to authorizing the use of private cos in the operation . . . (i.e., as to those, it lifts the embargo). In implementing, N turned to a # of people, including Second, who was experienced in Middle East. They began to work the same channel opened by Isr (i.e., Ghorbanifar channel)

Second's partner was Albert ~~Hakim~~ Hachim (Akim?)
Akim had over yrs been contacted by the moderate elements of Ir.

Early 1986 – Akim learned of Ghorbanifar contact + told N + Second that " is a crook
Akim said he had better contacts
(could have been Jan.).

Jan. – Frankfurt meeting – Akim served as interp'r – Isreal brought [redacted] . Concluded that [redacted] was 'good' + ∴ Akim started to work his contacts.
Akim produced [redacted] of Raf-sanjani) +

Nr + [redacted] were there

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by B. Reger, National Security Council

(280)

UNCLASSIFIED They knew that Ir. had sent arms through Nort.

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Hakim ~~[illegible]~~ negotiate [illegible] Iranians, in order to further the relationship & to show their bona fides,

[illegible] we said that the Iranians should make a contribution over purchase price [illegible] of goods for use of Contras or [illegible] of use [illegible] (the probably [illegible] said U.S.G. was desirous

Feb. shipmt. of TOWs was priced on this basis. That $ routed through Israelis into Akim's financial network. He, in his private capacity, ran $ into other assets ([illegible] belonging to foreigners).

But for Akim this policy could not have been effectuated.

Same thing happened again in May.

Green says none of this vio'd law

No U.S. $ involved here -- Only Iranians making contribution.

They feel like they were doing Lord's work - worked like dogs -- gave thought to laws & believed they were not vio'ing any laws.

If this blows up, Ir. will kill one more of the hostages -- to say U.S. is assholes.

[redacted] will also probably be kil

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Green doesn't think this vio.s the Boland Amendmt

Ghorbanifar had a role in Feb. deal.

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EXHIBIT
CJC-35

/ c iatc 3057

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AECA maybe inapplicable if the Sept '85 + Oct 86 transfers from Is → Iran were effectively transfers from U.S. → Iran, w/ Is as a conduit (ie TOWS are fungible; Is gives Iran 500 TOWS bec/ we promise to replenish --∴ Isreal is our creditor, but we are transferor + Iran is transferee.

[Then question becomes was CIA involved in these transfers. If so re Oct '86, that's OK bec/ there was a written finding in effect, authorizing CIA to conduct the operation. If so, re Sept. 85 no written finding, so question becomes was there (can there be?) an oral finding. Does OLC memo re destabilization have merit?
If CIA not involved in Sept '85, then question is whether NSC (or whoever conducted the operation) has authy to do so. (operation may have been no more than saying "do it" to Is).]

If AECA applies to the items that Isreal transferred to Iran, question is how did Is. get items — direct sale from U.S. or through licensed intermediary -- also did they get them on credit, thus invoking the Foreign Assist. Act's reporting requirements.

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[illegible]

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DEPOSITION
EXHIBIT
CJC-36
6/23 JT

— w/o pers'l involvement

Poin should say — he has learned that
some involved have provided $ generated
→ to Contras — doesn't know all details
— but in light of Cong'al —
Pres. needs a new for. policy team.
fresh start

P. brief Congressional leaders first

I would ∴ like to be relieved of my
assignment

?

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under provisions of E.O. 12356
K. Johnson, National Security Council

As public discussion proceeded

(5202)

Inquiry continue — as soon as all
facts known will make disclosure to
Cong. & American public.

uncovered info in course
some funds ~~are~~ generated by these transactions were
provided to ~~the~~ forces opposing the Sand regime
in Nic.
provide full info - at earliest possible time.

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TRANSCRIPT OF PROCEEDINGS

HSIC 27 /87

ORIGINAL

CONFIDENTIAL

UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

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DEPOSITION OF JOSEPH COORS

CONFIDENTIAL

Washington, D. C.

Wednesday, May 20, 1987

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by D. Sirko, National Security Council

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UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF JOSEPH COORS

Washington, D. C.
Wednesday, May 20, 1987

Deposition of JOSEPH COORS, called for examination pursuant to agreement by counsel, at the offices of the Senate Select Committee, Suite 901, Hart Senate Office Building, at 10:25 a.m. before DAVID L. HOFFMAN, a Notary Public within and for the District of Columbia, when were present:

JAMES E. KAPLAN, ESQ.
Associate Counsel
United States Senate Select
  Committee on Secret Military
  Assistance to Iran and the
  Nicaraguan Opposition

THOMAS FRYMAN, ESQ.
Staff Counsel
KENNETH R. BUCK, ESQ.
Assistant Minority Counsel
United States House of
  Representatives Select
  Committee to Investigate
  Covert Arms Transactions
  With Iran

-- continued --

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APPEARANCES (Continued):

RICHARD M. ROBERTS, ESQ.
Hamel & Park
888 Sixteenth Street, N.W.
Washington, D. C. 20006
On behalf of the Deponent.

ALSO PRESENT:

TINA WESTBY
Minority Staff
Senate Select Committee

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P R O C E E D I N G S

Whereupon,

JOSEPH COORS

was called as a witness and, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. KAPLAN:

Q Mr. Coors, would you state your full name for the record.

A Joseph Coors.

Q Your place of residence.

A Home residence is Golden, Colorado. [redacted]

Q Your place of employment.

A Adolph Coors Company, Golden, Colorado.

Q Could you describe your various positions with Adolph Coors Company.

A Well, I've been there for over 40 years. I've had many positions, both at the parent company and the subsidiary. More recently, I was President of the Adolph Coors. Now I have been for the last couple of years, Vice Chairman.

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Q What years did you serve as president of that company?

A Up until May of '85.

Q When did you begin your tenure as president?

A Oh, golly. Six or seven years before that.

Q Was it 1977?

A It could have been.

Q When did you assume the position of Vice Chairman of Adolph Coors Company?

A At our annual meeting in May of '85.

Q Did you also serve as Chief Operating Officer of Adolph Coors Company?

A When I was president, I did.

Q What is the nature of the Adolph Coors Company's business?

A Adolph Coors Company's business is mainly involved in the manufacture, sale and distribution of beer; however, we have a number of subsidiaries that are involved in ancillary operations, the major one of which is our Coors Porcelain Company, which is involved in industrial ceramics.

Q Were you served last week with a copy of a subpoena for your deposition and requesting documents from

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the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition?

A Your question is, was I?

Q Were you served?

A I was served.

MR. KAPLAN: I will ask the reporter to mark as Exhibit 1, a copy of that subpoena.

(Exhibit 1 identified.)

(Document handed to witness.)

BY MR. KAPLAN:

Q I will show that to you, Mr. Coors.

To the best of your recollection --

A Yes. This appears to be exactly what I was served.

Q Did you cause a search of your files and other records to be done, in order to produce the documents that you produced to me today, pursuant to that subpoena?

A Yes. I asked my executive assistant, Tesa Smith, to go through all of our files at the company to produce any correspondence relating to these various individuals and organizations. Then I went through my own personal financial records to get copies of the checks that seemed

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apply. Those are all personal records and have nothing to do with the company.

Q Okay. Is it your position that all relevant personal records have been produced today as part of the package that you turned over to me earlier?

A To the best of my knowledge, everything that we found or know that exists is available. Everything.

Q Thank you.

Was there a time when you developed an interest in assisting the efforts of the contras in Nicaragua?

A Yes. I don't think there's any specific time. It was an interest that developed after the election in Nicaragua when Ortega was elected president. I think, I, as well as the Administration and a lot of other people, had hoped that a democracy was going to be set up there. It soon appeared to us that they were going to restrict the rights of their citizens. The right to free speech, the right to a free press, the right to free religion and eventually, evidently the right to free elections seemed to be more and more oppressed and more and more enforcement, as time went on.

As a result of that and my great belief in democracy and the freedoms of the individual, I became concerned about the citizens of Nicaragua and became interested in the attempts of the freedom fighters to fight this kind of government.

I have long been known as a strong anti-communist and my concern grew in Nicaragua, when it became apparent that they were being supplied with large quantities of arms from the Soviet Union and from Cuba, and that they were evidently setting up another puppet communist government very close to our homeland, and to me a very serious threat to the United States of America.

Q When was the first time that you discussed your interest in assisting the contras with any United States government official?

A There was established, I think, maybe six or seven years ago, an organization called the Council for National Policy. This was established by a group of heads of some of the conservative organizations, which I had been involved in along with some good American businessmen, who had the same general kinds of feelings that I had about this situation. And this Council of National Policy was set up as an organization without an agenda of its own but as a

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forum for like-thinking people from the government, from the research and educational foundations and from the business world, to get together to share and exchange ideas.

During the course of this -- and we had meetings four or five times a year -- conferences three or four times a year~~s~~ attended by anywhere from 100 to 300 or 400 individuals --

Q When do you recall the first discussions that you had with U.S. government officials about your interest in assisting the Nicaraguan contras?

A Let me continue a little bit. The executive director of the Council for National Policy at that time was Woody Jenkins, a state legislator from the State of Louisiana, who resided in Baton Rouge. Baton Rouge was at that time headquarters of the CNP. Woody became very much interested in the plight of the Miskito Indians, who were reported to have been driven, I think -- it is substantiated they were driven from their homelands and from their towns and cities and villages in Northeastern Nicaragua and escaped, if you want to call it that, into Honduras. Woody and his wife, Diane, set up an organization called Friends of America, and I have included my check contributions to

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this organization, because although I wasn't specifically asked for it, it certainly is, I think in the same ballpark.

They set up this organization to provide medical help and to actually establish hospitals originally to take care of the Miskito Indian people who needed this kind of help. And I believe that subsequently, they have set up hospitals. I believe there are half a dozen of them, and I don't know all the details, to take care of Nicaraguan refugees in Honduras. These hospitals or medical facilities are, to the best of my knowledge, all in Honduras.

Woody, as director of CNP, felt it was a topic of interest to the members of that organization to invite speakers to our conferences, along with a number of subjects that obviously were taken -- they did have people come to speak to our group about the Nicaraguan freedom fighter situation.

Among those people over the years the ones that I can recollect most specifically are General Jack Singlaub, who, incidentally, his home is in Colorado, and I have known him ever since he came back from Korea. Colonel Oliver North spoke to our group. That's where I first met North.

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Q When was that that you first met North?

A Oh, golly. You're testing my memory, which is difficult. It would be probably at the first meeting of the Council that he spoke which could have been perhaps late '84. I can probably tie that down if I have to, but I don't have -- I have no records.

Q Well, to the best of your recollection is fine.

A To the best of my recollection. The time spans are more difficult to put your finger on as you get older. But he spoke at one of the meetings Adolfo Calero spoke, and I became acquainted with him. In subsequent meetings he was there. North was there, of course. Singlaub. So I kept a relationship with these gentlemen and was very much interested in what they were doing, the cause and the plight, and so on.

Q Did you ever did discuss the cause and the plight of the contras with Attorney General Meese?

A Not to the best of my recollection.

Q What about with William Clark?

A Again, not to the best of my recollection, although I had conversations with those gentlemen from time to time, not long ones, but I have no rcollection of having

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specifically talked with either of them about the freedom fighter contra situation.

Q Did there come a time when you discussed your interest in assisting the contras with the late William J. Casey?

A Yes.

Q When was that?

A That would have had to have been within a few weeks before I had transferred the funds to the Swiss bank account.

Q Who initiated that meeting?

A I did. Can I fill you in on my thoughts there, so maybe it will save you some questioning?

Q Sure. Okay.

A I have known Bi[illegible] Casey [illegible]uite well ever since the beginning of the Reagan-Bush campaign in '79-'80. I had tremendous respect for the gentleman and considered him a friend. When I had heard and thought a lot about the situation down there, it seems to me, in my evaluation that Bill would be the person that I should talk to about it.

Q Why did Mr. Casey seem to be the person that you should talk to about it?

A Well, obviously, he was a close friend of the president. The president had expressed his thoughts in regard to helping the freedom fighters. Bill Casey, also, in his position as had of CIA, was involved, obviously, in international intelligence. The person, as far as I am concerned was probably more knowledgeable than anyone else about this situation. So I went to him and asked him, "Bill, what can I do to help?"

Q Before we get onto that, what led you to the judgment that Mr. Casey was most knowledgeable about the situation in Nicaragua?

A I guess more than anything else, instinct. I wasn't pointed in his direction by any person, not by Singlaub, North or anybody else. I just felt that he would be the person I would most feel comfortable in discussing my thoughts.

Q Did you call Mr. Casey?

A Yes, and I had an appointment with him.

Q Did you tell him beforehand what you wanted him to discuss?

A No.

Q Where did that meeting take place?

A That meeting, to the best of my recollection, took place in his Washington -- downtown Washington office.

Q Was that in the Old Executive Office Building?

A I can't tell you. He had an office in this area, and it could have been.

Q Was anyone else present at that meeting?

A No.

Q How long did the meeting take?

A The meeting took -- it was late one afternoon, and it took a relatively short time. I had pleasantries with him, talking with him a bit about the situation and told him of my desire to do something, and he said he could not advise me what to do, except to go see Ollie North.

Q Was there any more substance to your discussion?

A Really not, no.

Q Did he express or indicate the knowledge that you had assumed he might have about the Nicaraguan situation?

A No. He was very discreet, actually, in his whole conversation and did not lead me to believe that he [Knew] anything about it. He said the person to see is Ollie North.

Q Did he tell you why he thought you should see

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North?

A Yes, because he thought North was the person that I should deal with in my thought of contributing to the cause.

Q Did you express to Mr. Casey an interest in your contributing money toward the cause?

A Yes.

Q So that was the substance of your side of the discussion?

A Yes. That was the major substance.

Q When he referred to Mr. North, it is fair to say that he knew that your interest was in providing some money in support of the contra movement?

A Yes.

Q Did you ask him why North was the person you should see?

A No. Having known North, I just accepted that as a logical move. Actually, he had his office call North's office and said "It's okay. You go down to see him." I saw him just after meeting with Casey.

Q So you saw North the same day?

A The same day.

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Q And that meeting was set up by Mr. Casey's office?

A All he did was call and find out whether he was in.

Q Was Mr. North's office in the same building as Mr. Casey's office?

A It was in the OEOB.

Q Just trying to get straight where Mr. Casey's office was. I take it you didn't have to go outside to go to Mr. North's office.

A To the best of my recollection, no, but I honestly can't recollect where Mr. Casey was, except when I asked to see him, he asked me, he said, "Do you want to come on out to the CIA Headquarters?" And I said, "Well, if it more convenient for you. It will be more convenient for me to reach you in D.C." So I met him at his D.C. office. I assumed he had one, and I can't place it.

Q And then you met with North.

A Yes.

Q Who else was present?

A Nobody.

Q What was the substance of your discussion with

Colonel North?

A I repeated my request. I thought that I would like to do something to help the freedom fighters and asked his opinion as to what he thought would be the best thing for me to do.

Q What did North say?

A He said that one of the greatest needs of those people down there was a small airplane, and he specifically cited a model, showed me a catalog. This is it. He said, at the present time they only had, I think, one or possibly two planes. They had an old DC3 that was battered and having a hard time keeping in the air, and he said this particular plane would be extremely valuable to them in carrying medical supplies, food supplies, between the various camps and bases [redacted] because it has a very short take-off and landing capability. Of course, it is just a tiny plane. It was not military. I specifically said, I don't want to get involved in providing any military help.

So my purpose was to do something I felt was humanitarian, nonmilitary and still very helpful to the cause.

Q Did North tell you of any other needs of the contras at that time?

A I don't remember, specifically, other things, but I wouldn't be surprised if we discussed their great need for lots of kinds of help, because we had discussed this previously at CNP meetings.

Q What other kinds of help might that have been?

A Well, at that time, I think it was mainly food and uniforms, medical supplies and things like that, which were so necessary just to keep the group of freedom fighters alive.

Q Did he ever mention military needs to you?

A He could have. I don't recollect, specifically.

Q Do you recollect, generally, whether he mentioned the military needs of the contras?

A Now, I don't.

Q Did North quote you a price that it would take to purchase a Maule plane?

A He did. He said, they could acquire -- it was actually a specific Maule airplane that was available at the time at the Maule plant, and this could be acquired with all the spare parts, instrumentation, everything, that was

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necessary, for $65,000.

Q Did he refer to any notebook or any other documents in describing the needs for a Maule and other needs or the price of the Maule?

A Only the Maule catalog.

No other list of any sort.

Q Did Colonel North then tell you how you could make a payment for the purchase of a Maule?

A Yes, he did. He said that the mechanism that he would like to use for this was to have me make a deposit in a Swiss bank account.

Q What did he tell you about that Swiss bank account?

A He didn't tell me much. He didn't have the information with him at that time on that bank account, and subsequently he gave me a piece of paper, which is part of the documents, and he got into my hands this document that listed the Swiss bank account number, and so forth and so on.

Q When you say "subsequently," was that a face to face meeting?

A No, it was not, if my recollection was correct

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and Bob Walker is going to have to verify this, I think that piece of paper came through Bob, but in any case, it was not transmitted by letter.

Q Why would the paper have come through Mr. Walker?

A Mr. Walker has been my assistant and chief contact in the Washington area ever since he joined forces with us in 1974.

Q Did Mr. Walker describe to you the process by which that piece of paper was sent to him?

A He probably did, but I can't recollect it. I was only interested in getting the account number and having it in my hands. I have no recollection of the process.

Q Is there any question in your mind that the account number and the account information came from Colonel North?

A No, there's no question in my mind.

Q Did you ever ask or did North tell you or Mr. Walker what Lake Resources, Inc. was?

A No. And surprisingly enough -- I imagine you will wonder about this -- I was not conscious until after my questioning by the FBI people that the name "Lake Resources" was even on that document. I didn't inspect it that thoroughly. I was not familiar with Lake Resources at the time. I didn't know what it was, and it just passed through as something that didn't even click with me in my mind.

Q Weren't you interested in what account or to what entity payment was going to be made?

A I was only interested in the fact that this $65,000 would be used for the purpose for which it was intended, and I had complete confidence in North that that was the case.

Q What was it about North that gave you complete confidence that the money would be used for which it was intended?

A He's the kind of person that I could relate with and have a feeling of complete respect for. In my mind, he's a tremendously patriotic American, who is working with the president to do those sorts of things that he felt the Administration wanted to have done. And I don't know, it is just one of those things. With some people, that you establish that complete confidence and respect for right away, and he was one that I did over a period of over a year or so. I don't know. It wasn't immediate.

Q Going back one step, why would Colonel North have

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given the information to Mr. Walker rather than provide it directly to you?

A Well, because Mr. Walker was in Washington, and it was a lot easier to do that.

Q Did you give Colonel North Mr. Walker's name?

A Yes.

Q You did. Did Colonel North know Mr. Walker before that time?

A I believe he did; yes.

Q In what context did Colonel North or would Colonel North have met Mr. Walker prior to that time?

A I really can't answer. I'm not sure he even had met him before that. He'll have to answer that for you. I asked him to contact, and this is my recollection. I don't think I could have gotten that piece of paper otherwise. I asked Bob -- Mr. Walker -- to get in touch with North and get the Swiss bank account number for me.

Q Was North expecting a call from Mr. Walker to get that information?

A I'm sure he was; yes.

Q How soon after your meeting with North did you receive the information about the Swiss bank account?

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A Probably a couple of weeks, within a few weeks, certainly.

Q Okay. Did you ask North for any assurance that the money would be spent for a Maule airplane?

A Yes. I asked him whether it would be. He assured me it would be. There was never anything in writing.

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Q Yes.

A I was in contact with him later. He showed me a picture of the airplane down there and assured me that my funds had been used to buy it. And he was very pleased with that situation.

Q Let's back up for a step. Did you in fact make a payment to the Lake Resources account in Switzerland?

A I had my bank, personal bank, in Denver, the Colorado National Bank of Denver, I contacted the president of that bank, Peter Grant, whose name is on the correspondence, and asked him to make that transfer.

Q How much money did you transfer to the Lake Resources account?

A $65,000, in one payment.

MR. KAPLAN: I'm going to ask the reporter to mark as Exhibit No. 2 a copy of what purports to be a letter from you to Mr. Grant at the Colorado National Bank, dated August 20, 1985.

(Exhibit 2 identified.)

BY MR. KAPLAN:

Q Does that letter reflect the transaction to which you've just testified?

A It does indeed.

Q Is it your testimony that you never asked anyone what Lake Resources was?

A That is correct.

Q Before or after the fact?

A Before or after. As I say, it didn't even register to me, the Lake Resources name. My only interest was to transfer the funds to be used to buy that Maule plane.

Q Did you ever ask or were you told who controlled the Lake Resources account?

A No. I didn't know that until this thing all blew up.

Q Can you describe the circumstances surrounding your discussion with Colonel North in which he verified that your payment was used for the purposes of purchasing a Maule plane for the contras?

A Yes. This just occurred last fall. His office in the OEOB. I visited with him and asked him about the transaction. As I said, he showed me a picture of a plane and said, yes, it had been bought with my funds, they were very happy with it and it was serving its purpose.

Q So this would have been a year after the payment was made?

A Yes.

Q Did you ever have any discussions with Colonel North or anyone else to attempt to verify that the payment had been used to purchase a Maule plane?

A Not to the best of my recollection.

Q Had you spoken with Colonel North between late August 1985 and your meeting with him this past fall?

A Yes, I imagine I had because I think he was at one of those CNP meetings. I didn't visit him in his office between that time.

Q Did you speak with him about this?

A If I had seen him, and I imagine I did at one of these meetings, we would have discussed it. He would have assured me that the payment had been used for that purpose.

Q Is it possible that he did assure you that the payment had been used for that purpose at some time prior to this past fall?

A Yes, it is very possible.

Q Did you have any discussions with Mr. Casey after your meeting with North? Or after having made the payment?

A I had no discussions with Mr. Casey on that subject. He expressed to me, when I met him before my meeting with North, that he did not want to get involved and was not interested in what I was going to do.

Q And it was never raised with him after that time. Was it ever raised with any other United States government official?

A None. Nobody in the Adolf Coors company organization in Golden knew anything about this. My secretary, who typed this letter, knew of my request for the transfer. She did not know what the purpose was. None of my family knew. My wife, Holly, who is on the joint bank account, didn't know of the transfer at that time.

Q Was there a reason why you did not disclose the transfer to any other person or people?

A I tend to be a private person. This was just something that I wanted to do as a person. I didn't think it was anybody else's business.

Q Okay. Did you ever discuss with the President himself your efforts in assisting the contras?

A I did not.

Q I may be repeating myself. Did you ever discuss this payment with anyone else in the United States government?

A I did not, although I knew McFarlane and I knew Poindexter, Don Regan and others. Ed Meese. I never discussed that with any of them.

Q What was the purpose of your meeting with Colonel North this past fall?

A I guess just to say hello and find out how things were going; just to touch base. Nothing else specific except --

Q Were you ever asked to give more money to aid the contras?

A I was never solicited directly by North or anyone else in the government. I was asked by Jack Singlaub to help out in sending some money down to his organization. I never knew exactly what the end point of that was. They at one point expressed the fact that they were very low on funds and needed funds to continue their operational expenses.

I did know that Jack Singlaub was involved in activities with the contras. And so I can't sit here and say I didn't know that possibly those funds that are shown

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on those checks might not have gone there.

Q I've asked you this before off the record. I'll ask it again. Do you recall a joint meeting that you might have had with Mr. Casey and Colonel North on June 18, 1985?

A No. I never had a joint meeting with those two gentlemen. I had a meeting -- it might have been that day -- very likely was -- with Mr. Casey, and then subsequently, a few minutes later, with Colonel North. But not the two together.

Q So that it might have been on that date?

A Very likely could have been because that would be a time that would fit in to the time frame.

MR. KAPLAN: I'm just going to ask the reporter to mark as Exhibit No. 3 what I can represent to you is a page that has been prepared I believe by the Central Intelligence Agency of Mr. Casey's appointments in 1985. And this is simply an attempt to refresh your recollection.

Or to have you reconfirm that no such meeting ever occurred.

(Exhibit 3 identified.)

(Handing document to witness.)

BY MR. KAPLAN:

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Q If you'll take a look at that page, at the top, as I said, I represented to you that this is a page prepared by the CIA and it relates to meetings that Mr. Casey had with particular individuals.

You'll notice at the top it says "Oliver North continued", because this represents meetings that Mr. Casey had with Colonel North.

Toward the bottom, about eight or 10 entries up from the bottom-most entry, there's an indication of a June 13, 1985 with Joseph Coors.

Does that in any way refresh your recollection about a joint meeting?

A It doesn't change whatsoever my recollection of the happenings of that late afternoon that I've already recited to you.

Q Okay. If I were to show you a copy of an entry from Colonel North's National Security Council appointment book that reflected a joint meeting with, quote, "Casey/Coors", that wouldn't do anything for you?

A No, it would not. I'm sorry. I have no recollection of a joint meeting with those two gentlemen.

MR. ROBERTS: Pardon me. Will that be also an

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exhibit?

MR. KAPLAN: I'm glad to make it an exhibit. I'm going to have the reporter mark as Exhibit No. 4 a page which I will represent has been taken from Colonel North's appointment book, kept at the National Security Council, I believe by his secretary.

(Exhibit 4 identified.)

(Handing document to witness.)

BY MR. KAPLAN:

Q I show this exhibit to Mr. Coors.

A It's interesting.

Q On the bottom of the entries on Tuesday, June 18th, Mr. Coors, you'll notice on Exhibit No. 4 there is a notation of a "Casey/Coors meeting at 6:30".

A I've seen that. It sort of confirms the Casey thing.

Q Does that do anything to refresh your recollection as to a joint meeting?

A I believe that Colonel North would substantiate my story on this, how these; the time-scale would indicate that it was about the time that I did visit with the two of them. But not together.

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Whether this might refer to the fact that I met with Mr. Casey and he referred me to North or whatever, a joint meeting, to the best of my recollection and knowledge, it never occurred.

Q Do you recall the meeting with Colonel North having taken place as late as 6:30 in the evening?

A Yes. As I said, it was toward the end of the day. I'd been here for I think the annual meeting of the Civilian Aides to the Secretary of the Army. It was after that that I visited these gentlemen.

Q I'm sorry. I missed that. For what purpose were you in Washington?

A Every year. I had been appointed by Secretary Marsh as his civilian aide. At that time, I was Civilian Aide for the State of Colorado. Today, I'm his Civilian Aide for the whole 6th Army area. And we annually have meetings in June with all of the Civilian Aides coming in to Washington.

Q When did you set up the meeting with Mr. Casey that took place probably in late June of 1985?

A I suppose I would have done it the previous week, knowing that I was going to be in town.

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Q Okay.

A I have no record of that.

Q I'm backtracking a bit. When Mr. Casey's office arranged for you to meet with Colonel North, did you overhear the conversation arranging that meeting?

A Again, to the best of my recollection, he just had his girl, his secretary, call down and ask whether Colonel North was there, and whether he was willing to meet with me. It was a very short meeting.

Q Did Casey speak with North himself?

A No.

Q Did you have any impression as to whether Casey spoke with North in between the time that the meeting was arranged and you arrived in Colonel North's office?

A I have no idea.

Q Did Colonel North know when you arrived in his office for what purpose you were coming?

A I believe he did.

Q How would he have known?

A Well, he probably would have known because I undoubtedly had talked to him on previous occasions about my desire to do something.

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Q Did he make any reference to any conversation that he had had with Mr. Casey?

A No, he did not.

Q After you made your payment to the Lake Resources account, how did North learn of that payment?

A I'm not sure. I could very likely have conveyed that to him by telephone.

Q Is it possible that he found out through means other than a conversation with you?

A Sure. He probably was in close enough touch with those people when he'd asked me -- well, he hadn't asked me to make the payment, but when he knew I was intending to make it, it would be logical for him to follow.

Q You've mentioned contributions to General Jack Singlaub's organization and to Friends of America.

Have you had occasion to make any other contributions? Assistance payments or contributions?

A As the cancelled checks show, I have made contributions to Andy Messing's organization. Andy's been a friend over the years.

Q Any others?

A Not that I know of.

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Q Do you know Carl Spitz Channell?

A I don't know him. Never met him.

Q Daniel Conrad?

A No.

Q Richard Miller?

A No. Well, wait a minute. Is Richard Miller the one that was associated with Dave Fisher?

Q That's correct.

A They were in an organization together after Dave left.

Q That's right.

A I have met Mr. Miller. They -- Dave Fisher, Miller and another one of their associates at that time were in my office in Golden talking about how they could help with their services, to help the Adolph Coors Company, strictly on trying to solicit business for Adolph Coors Company.

Q Would the other associate have been Frank Gomez?

A Yes.

Q What resulted from that meeting, if anything?

A Really, nothing. We didn't feel that they could provide a service for our company that we wanted at that

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time.

Q When did that meeting occur, approximately?

A Probably, a year ago.

Q Have you ever met with or seen Mr. Miller or Mr. Gomez on any other occasion?

A I have not, to the best of my knowledge.

Q Could you describe the nature of your relationship with Mr. Fisher?

A Gosh, I got to know Dave as the top aide to the President. He was almost always in presence on those various occasions when I was involved with the President in any way. I just got to know him. He was friendly. He always treated me very well and worked with me as far as being able to see the President or work out schedules and things of that nature.

Q Did you ever discuss with Mr. Fisher your interest in aiding the contras?

A Never.

Q Are you a member of the board of directors of the Heritage Foundation?

A I am.

Q Are you aware of the Heritage Foundation contribution that was made to an organization called the Institute for North-South Issues?

A I'm not specifically familiar with that.

Q Would you know about any Heritage Foundation payment that was made for the purpose of assisting the contras?

A No, I am not familiar with it. I'd be rather surprised had they done that, in a way. Nothing came up at our board meetings of that nature.

Q Do you know Mr. Secord?

A I did not and do not.

Q Have you ever spoken with Mr. Secord on the telephone?

A No.

Q Have you ever spoken with a Mr. Copp on the telephone?

A No.

Q Do you know Albert Hakim?

A No.

Q You've never spoken with Mr. Hakim on the telephone? Do you know a Willard Zucker?

A No. I meet dozens of people casually, so I can't

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say that I've never met them or shaken their hands, but I've never dealt with him in any way, never had any conversation specifically with them.

Q What about a Mr. Jacob Steeger?

A No.

Q I'm not coming out of left field with those individuals.

A I know. They're involved.

Q I'm sure you know from the media reports they've been involved with the Lake Resources enterprise.

When was the last time that you either met or spoke with Colonel North?

A Oh, probably in February.

Q What was the substance of that discussion? Was that a discussion or was it a meeting?

A No, it was a telephone conversation.

Q Who initiated that conversation?

A I did.

Q What was the purpose of it?

A I just wanted to tell him how supportive I was of him and sorry that he was no longer with the government. It was strictly a friendly, personal conversation of that

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nature.

Q Have you spoken with North at any other time between the time of his resignation --

A No, just that one time.

Q And that time in February, have you ever met with or spoken to Brendan Sullivan of Williams and Connelly, who represent Colonel North?

A No, I have not. The name Sullivan rings a bell because -- I believe it was in his office. The name, Sullivan, rings a bell because I was referred to his office to get in touch with North. But I didn't know his relationship with him.

Q Who referred you to his office to get in touch with North?

A I don't know.

Q Have you made a contribution towards North's legal defenses?

A I have not.

Q Legal defense expenses. When you called Mr. Sullivan's office to try to get in touch, or in your attempt to reach Mr. North, did they give you a phone number?

A My secretary did this. And what I believe

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happened is that she was transferred to another extension in the same office.

Q Was North reachable at that extension of the other office?

A Yes. That's where I did reach him and talk to him.

MR. KAPLAN: I have no further questions. I appreciate your cooperation in showing up here.

EXAMINATION

BY MR. FRYMAN:

Q Mr. Coors, this is a Joint Senate and House deposition. Before we began today, I served you with a House subpoena which was slightly different in terms of the documents that it requested than the Senate subpoena that you'd received earlier.

Before we begin, I spoke with your counsel, Mr. Roberts, and I wanted to confirm that we have agreed that you will review that subpoena and, if there are any additional materials that are called for, Mr. Roberts will be in touch with me later this week.

MR. ROBERTS: Correct.

BY MR. SCHWARTZ:

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Q You have that? I don't have a copy of it. So I'll have to get that from you. I'll get a copy, or whatever.

MR. FRYMAN: I also just want to note for the record that prior to the deposition, I gave to your counsel a copy of the House Committee Rules and also a Resolution establishing the House Select Committee.

BY MR. FRYMAN:

Q Going back to your meeting with Mr. North, when you asked if you could make a contribution and I believe you said you specified that you wanted to make a contribution for nonmilitary purposes, and he indicated you could contribute $65,000 to purchase a Maule plane.

A Correct.

Q Did he give you any assurances that this plane would not be used to transport military equipment?

A No, I don't believe he did. If you've ever seen a smaller Piper Cub or been in one, a one-pilot type of thing, it's such a tiny plane that it just didn't make sense. Obviously, it, first of all, was unarmed. The plane was unarmed as purchased; it had no guns or anything there.

Any plane whose carrying capacity is only several

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hundred pounds, I believe, so any plane that could carry a certain amount of arms, it would be a very small amount.

Q He told you specifically that the plane was to be used to carry food?

A Well, yes, food, medical supplies and other supplies.

Q What types of other supplies?

A I didn't go into that.

Q But he did not in response to your statement that you did not want to make any contribution for any military assistance, he did not give you any assurance that the plane would not be used for that purpose?

A No, I don't believe he did. Well, yes. I think he did say to me, "Yes, Joe, we will use this for humanitarian, nonmilitary purposes." That's sort of vague. It's a grey area. Let's put it that way.

And I assumed that he would live up to his general commitment to me. On the specifics, I can't say that we got into in any detail.

Q This certainly is not a document that it wouldn't be used or anything of that nature, a transfer for $65,000 to the Swiss bank account on or about August 20, 1985, as

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reflected in Coors Exhibit 2. Is that correct?

A That's correct.

Q How far in advance of the date of that transfer do you recall your meeting first with Mr. Casey and, second, with Mr. North -- Colonel North?

A My recollection was renewed by these documents. It looks like it was about June 18th.

Q Apart from those documents, is it your recollection now that there was a two-month delay between your meeting asking about making this contribution?

A No. I'm a little surprised that it was that long. And I don't know why it would have been that long except for one fact. The majority of my income comes from dividends from the Adolph Coors Company trusts.

There are a number of trusts -- my mother's, my father's, my uncle's, my own trust. And the dividend payable date for those is August 15th.

So it would be logical that I would wait until after that dividend declaration before I would transfer the funds, because I would never have had enough in the bank.

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Q Are the dividends paid annually?

A Semi-annually, August 15th and February 15th.

So you can see that that timeframe was toward the end of one dividend payment and toward the beginning -- or toward the end of the other.

That just occurred to me right now, but I have an idea that that was an influencing factor.

Q Approximately, what percent of your total expenditures over a six-month period does $65,000 represent?

MR. ROBERTS: Expenditures or income?

BY MR. FRYMAN:

Q Expenditures.

A For what? For all purposes?

Q For all purposes.

A Oh, golly. Less than 10 percent.

Q And it is your testimony that you believe you may not have had $65,000 available to purchase this plane until you received the dividend distribution on August 15th, 1985?

A That is correct.

You see, for instance, on June 15th I made a sizable estimated tax payment, which I do quarterly. That would have drained that account.

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I can get out the records of the bank balance if it is of any importance. It didn't occur to me to be concerned about that.

Q Now, you have testified that you spoke to Colonel North about the $65,000 contribution in the fall of 1986?

A Yes.

Q Which was approximately a year after you made the transfer in August of 1985.

A Say 14 months, 13, 14 months.

Q Why did you wait 12 to 14 months to ask him about this?

A I had no reason to ask him before. I felt completely confident that he had done with my funds what I had asked him to.

I would imagine, also, that I had talked to him in the mea[redacted] that came up, I think, at one of our CNP meetings just off the cuff.

There was no question in my mind~~s~~ that those funds had been spent that way. Now, how I got that, whether it was contact before the meeting last fall or what, I don't know.

Q What was the reason for the meeting in the fall

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of 1986?

A Really just to say hello, to renew acquaintanceship. This meeting actually took place in Ken de Graffenreid's office.

Q Who is Mr. de Graffenreid, for the record?

A He is a member of the National Security Council, an employee at that time of the National Security Council. I believe now he is over in the Pentagon.

Q Why were you meeting with him?

A Ken has been a longtime friend of Bob Walker's, of longstanding, and also was working -- I know had been working to a certain extent with North. Bob and I met in Ken's office with North. He showed me at that time pictures of the plane -- a picture. I think there was only one -- of the Maule.

Q Was there any particular purpose for your meeting in the fall of 1986 with Mr. Graffenreid?

A No. Just to say hello and to just renew acquaintanceship.

Q Did you initiate that meeting or did Mr. de Graffenreid?

A We did. By "we," I say Bob and I.

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Q And you initiated it just to say hello?

A Yes. I do that with a good number of officials in the federal government. I like to keep up my acquaintanceship with a pretty broad base of these kinds of people. They are of the general persuasion that I am in regard to the Ronald Reagan agenda, and it is just important to me to keep friendship with those people.

Q So am I correct you had a meeting scheduled in advance with Mr. Graffenreid?

A That is correct.

Q Was the meeting with Colonel North scheduled in advance, or did that just grow out of your meeting with Mr. de Graffenreid?

A I think it just grew out of the meeting with de Graffenreid.

Q How long was that meeting with Colonel North?

A About half an hour.

Q What subjects were discussed?

A Oh, gee, mostly just generalities in regard to -- oh, I don't know. I really can't tell you except for our discussion of the -- with North I am sure we discussed what the freedom fighters were doing, what they were

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accomplishing, and he had some pictures that had been taken [redacted]

Q Did he show you slides?

A No. These were -- I guess they were Polaroids, something of that nature.

Q You say this meeting was in the fall of 1986.

Can you specify the month?

A September or October. It was before the so-called blowup.

Q Was it before the shootdown of the plane in Nicaragua?

A Yes, I am pretty sure it was. I don't know when that was. When was the date of that shootdown? I can't relate the two.

But that had nothing to do with the meeting. We didn't discuss the shootdown of the plane.

Q During this half hour meeting, you asked what had happened to your $65,000 in substance?

A I knew what had happened to it.

Q How did you know?

A As I say, I felt sure because of my previous contacts with North at the CNP meetings.

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Q Which had occurred between August of 1985 --

A Yes, between August and this time.

I had no question what had happened to the $65,000, but it was a good assurance to me to see a picture of the plane down in that area and to hear a little bit about what it was being used for.

Q Who raised the subject at this meeting? Did you raise it or did Colonel North?

A I am sure I raised it.

Q And you raised it in what manner? Did you ask a question or what?

A As I said earlier, we had a general discussion about the freedom fighters' activities, the progress. I guess we discussed how important it was, as far as we were concerned, that the Congress had appropriated the funds. I think at that time there was some question about whether some of the funds were going to be withheld, but the fact that Congress had finally approved --

Q How did the discussion go from your general subjects to your $65,000 contribution?

A You are taxing my memory. Wouldn't it be a logical transition?

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I think it would be, that we are talking about the freedom fighters, Nicaragua [redacted] He volunteered to show me the picture of the plane.

Q Is that your recollection, that he raised the subject and he said, oh, by the way, I have a picture of the plane that you purchased?

A I don't know whether he raised the subject or not because I think we were discussing about the subject. But he is the one that volunteered. Yes, here is a picture of the plane.

Q And you understood that the picture was of the specific plane that you had purchased?

A That is correct.

Q Not just a type of plane, but the specific plane?

A No, this was a specific plane down, obviously, [redacted] It wasn't on a fancy airstrip. It wasn't a picture of a plane in a factory or anything of that nature.

Q Mr. Coors, was the request from Colonel North for $65,000 for the plane in the summer of 1985 the only request to you from anyone in the Administration for funds for the resistance in Nicaragua?

A First of all, let me repeat that this was not a solicitation of Colonel North. I want to make that clear. I agreed to the payment as a result of my request to him of what I could do.

Q Putting aside that one instance, however you want to characterize it, was there any other request or discussion with you of any sort by anyone within the Administration of a further financial contribution you can make to the Nicaraguan resistance?

A None that I recollect. I felt I had done my share of help, particularly after the approval of the $100 million government grant. I didn't think private requests or contributions were needed after that.

Q Were you aware that other persons associated with the organization that you have described, the Council for National Policy, [redacted] contributed multi-million dollar amounts to assist the contras?

A I was aware that -- what is the gal that is going to meet with us tomorrow? Ellen Garwood. I know Ellen Garwood, and I heard her at one of these meetings say -- I think she said she had contributed a helicopter to the freedom fighters.

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So I did know of her involvement. I don't know how she contributed at that time.

Q Did it ever seem to you that, given your concern for the contras, your contribution was small in comparison to what others were doing?

A I thought it was relatively substantial.

Q Going back, I just want to get an overview of your contacts with Colonel North.

The first you met him, you believe, was at a Council for National Policy meeting?

A Yes. That is as far as I can recollect.

Q And that I believe you thought might have occurred in 1984?

A Yes.

Q You have described a meeting with him in his office in the fall of 1986.

Was that the last time you met face to face with him?

A That is correct.

Q Now, between the first meeting in 1984 and the last meeting in the fall of 1986, how many times do you recall that you met with Colonel North face to face, either

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individually or in a larger group?

A I don't recollect any specific times.

Q You recollect one in the summer of 1985?

A Yes, sure.

Q That you testified about?

A Yes. But Colonel North generally attended the CNP meetings. I don't think he attended every one, but when he did, I am sure I would have visited with him, and these meetings took place three or four times a year.

Q How many times have you spoken face to face with Colonel North in the White House complex? And by that, I mean the White House and the related buildings, including the Old Executive Office Building.

A The only time that I recollect having met him was in the OEOB, and the only two occasions that I can recollect offhand are the time when I asked him what I could do and then this one last fall.

Q And any other meetings you would have had with him would have been at the Council for National Policy meetings?

A Yes.

(Pause.)

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MR. FRYMAN: Could we go off the record a minute?

(Discussion off the record.)

MR. FRYMAN: Back on the record.

I am going to ask the reporter to mark as Coors Deposition Exhibit 5 for identification a document which has been produced by Mr. Coors identifying a bank account at the Credit Suisse Bank in Switzerland.

(Exhibit 5 identified.)

(Handing document to witness.)

BY MR. FRYMAN:

Q Mr. Coors, I show you Coors Deposition Exhibit 5 for identification. I ask you if you recognize that document.

A I do recognize it, yes.

Q What is it?

A It is an account number in a Swiss bank, Geneva, to which I subsequently had $65,000 transferred from my account at Colorado National Bank in Colorado.

Q Is that exhibit a copy of a document that was transmitted to you from Colonel North?

A Yes.

Q Do you know at this point how it was transmitted to you?

A I cannot remember.

Q But when you went through your files, you found that sheet in your files, is that correct?

A I did.

Q And that was the document that was the basis for the transfer of $65,000, which is reflected in Deposition Exhibit 2, is that correct?

A Correct.

Q And you recall that in some manner or other you received that document in the summer of 1985 from Colonel North?

A Yes.

Q And that was following the meeting with Colonel North that you have described, and you understand the identification of the account to which you were to transfer the funds for the plane?

A I do.

(Pause.)

MR. FRYMAN: I have no further questions, Mr. Coors.

Mr. Buck may have a few questions.

EXAMINATION

BY MR. BUCK:

Q Mr. Coors, thank you for coming today.

A Would you identify yourself?

Q I was just going to. My name is Kenneth Buck. I am the Assistant Minority Counsel with the House committee.

A Who is the Minority Chairman?

Q The Ranking Minority Member in the House is Dick Cheney.

A I can see why you would be there.

Q Mr. Coors, you mentioned that you had an opportunity to talk with Colonel North on several occasions and observe him speaking on several occasions.

What did you believe Colonel North's motives were in his involvement in the contra affair?

A I feel quite confident that Colonel North's motives were to do what he could to further the stated desires of President Reagan to help the movement of the freedom fighters in Nicaragua. He is a very loyal supporter of the President, and I think he had no other motive.

Q I want to ask you a question that I believe has been asked before. I just want to make it perfectly clear

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in mind the sequence in your meeting of, I believe it was, June 18th, 1985, going from Mr. Casey's office to Mr. North's office.

Did Mr. North, did Colonel North solicit funds from you?

A No. He never solicited funds. He reacted to my offer.

Q Your offer preceded any comment by Mr. North in that regard, and again --

A He knew that I had been with Bill Casey. I told him, and I told him that Casey had told me that I should come down and talk to him.

Q You made it perfectly clear to Colonel North that you intended your contribution to be used for nonmilitary purposes, is that correct?

A Yes, I made that request very specific.

Q Would you describe again the origins of your relationship with Mr. Casey?

A Yes. As you know, I believe, or the record shows, Mr. Casey and Ed Meese were co-chairmen of the Reagan-Bush Election Committee. I got to know Bill Casey pretty well at the beginnings of that campaign.

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I was a member of a group of gentlemen, friends of the President, called the Kitchen Cabinet, and Bill Casey was a member of that group. We met quite frequently to discuss strategy in regard to the election.

So I got to know him through those contacts and relationships.

At one point I had a luncheon with myself and Casey and Meese before the election. We had a pretty good relationship.

MR. BUCK: Thank you very much, Mr. Coors. I have no further questions.

MR. FRYMAN: Off the record a second.

Let's get Mr. Kaplan back.

(Discussion off the record.)

(Whereupon, at 11:55 a.m., the taking of the deposition ceased.)

JOSEPH COORS

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, DAVID L. HOFFMAN, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Notary Public in and for the
District of Columbia

My Commission Expires

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UNITED STATES OF AMERICA
CONGRESS OF THE UNITED STATES

- - - - - - - - - - - - - - - - - - x
In the Matter of: :
TESTIMONY BEFORE THE SENATE :
SELECT COMMITTEE ON SECRET :
MILITARY ASSISTANCE TO IRAN AND :
THE NICARAGUAN OPPOSITION :
- - - - - - - - - - - - - - - - - - x

Washington, D.C.
Friday, April 10, 1987

The Deposition of JOAN CORBIN was convened at 3:46 p.m., in Room 220, Hart Senate Office Building, Washington, D.C., the witness being first duly sworn by JANE W. BEACH, a Notary Public in and for the District of Columbia, and the proceedings being taken down by Stenomask by Jane W. Beach and transcribed under her direction.

1

APPEARANCES:

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C O N T E N T S

Deposition of:	Examination:
JOAN CORBIN	
By Mr. Belnick	4

EXHIBITS

Corbin Deposition Exhibit No.	Page
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P R O C E E D I N G S

(Witness sworn.)

Whereupon,

JOAN CORBIN,

called as a witness herein by counsel for the Committee and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION

BY MR. BELNICK:

Q Your name for the record, please?

A Joan Corbin.

MR. BELNICK: The witness has been sworn?

THE REPORTER: Yes.

BY MR. BELNICK: (Resuming)

Q What's your address?

A 600 Center Street in Vienna, Virginia.

Q By whom are you employed?

A Stanford Technology Trading Group International.

Q Which we will sometimes refer to as STTGI.

When were you first employed by that company?

A In December of 1985.

Q who hired you?

A Mr. Secord.

Q Mr. Richard Secord?

A Yes.

Q Are you still employed by that company?

A Yes.

Q And you've been continuously since you were hired?

A Yes.

Q In what position?

A Secretary.

Q Are you also receptionist at the company?

A Yes.

Q For whom do you perform secretarial services at the company?

A Mr. Secord, Mr. Dutton, sometimes for Shirley, Shirley Napier.

MR. TREANOR: Excuse me just a moment. Can we go off the record?

(Discussion off the record.)

BY MR. BELNICK: (Resuming)

Q Does Mr. Albert Hakim work at the company?

A Yes.

Q Have you done secretarial work for him?

A Yes, I have.

Q You referred to Mr. Dutton. What is his first name?

A Robert.

Q Robert Dutton, D-u-t-t-o-n. And did he become employed by the company in or around April 1986?

A Yes.

Q Has Mr. Hakim been with the company since you began working there?

A Yes.

Q Do you know what his position is with the company?

A He's chairman of the board.

Q What about Mr. Secord?

A He's president.

Q And what about Mr. Dutton?

A Staff director.

Q And Ms. Napier has been staff assistant?

A Yes.

Q Are there any other employees?

A No.

Q What are your duties as secretary-receptionist, your usual duties?

A Answering the phone, sometimes placing phone calls, typing, filing, sending telexes, xeroxing, just general office duties.

Q Do you keep a log of incoming and outgoing phone calls?

A No, just messages if someone's not there.

Q Did there come a time during your employment at STTGI when you were asked to shred certain documents?

A Yes.

Q Do you recall when that was?

A I believe it was in early December.

Q 1986?

A Yes.

Q Was it a weekday?

A Yes.

Q Did this happen on more than one day?

A I believe so, yes. It was mostly one day, but there was a little bit for several days.

Q Prior to the first day that this happened in December '86, had you ever before been asked to shred documents in any quantity?

A No, not in any quantity.

Q Usually before then just an occasional document?

A Yes.

Q Now, on the day in December when you were first asked to shred documents, who asked you?

A I believe it was Shirley.

Q Shirley Napier?

A Yes. She had been told, I think, by Mr. Secord certain things, and she would give them to me or tell me to pick them out and shred them.

Q Did you hear Mr. Secord give Ms. Napier any instructions?

A No, I didn't.

Q Did Ms. Napier tell you she had received the shredding instructions from Mr. Secord?

A I don't believe she said it was a direct order, but just generally that was my impression.

Q Generally, Ms. Napier gave you to understand that Mr. Secord had asked that this be done?

A Yes.

Q Was anyone else in the office that day aside from you and Ms. Napier?

A Yes, Bob Dutton and Mr. Secord.

Q Anyone else?

A No.

Q What documents were you asked to shred?

A They were telexes and shorthand notebooks and old phone book message pages and just a couple of rolex cards.

Q What did you do? Were you shredding them or collecting them, or both or what?

A I was shredding them.

Q Who was handing you the documents to be shredded?

A Well, the shorthand pads and the phone message books were in the file cabinet. So we just took them out of there and shredded them.

Q "We" being?

A Shirley and I.

And the telexes, I believe Shirley gave them to me. I'm not certain. I think it was from Shirley.

Q Did you look at any of the telexes that you were shredding before you shredded them?

A Not really. I just fed them into the machine.

Q Can you tell us what the content of any of the telexes was or not?

A No, I can't, really.

Q Did Shirley tell you what the nature of these telexes was that you were shredding? Did she tell you what they concerned, or indicate that to you in any way?

A No.

Q Did Shirley indicate to you in any way why she or you were being asked to destroy these documents?

A No.

Q Did you have any understanding of why at the time?

A No one had really given an explanation. I guess it was after the news broke on the television and the newspapers, is the only reason I could -- I knew of.

Q What news are you referring to?

A Well, after the plane went down and then there was a story about the contras and the connection.

Q The alleged diversion of moneys?

A Yes.

Q You recall there was that story that day, the Attorney General of the United States held a press conference in which he announced that it appeared that money that was involved in Iran arms transactions had been diverted to the contras, the resistance movement in Nicaragua?

Do you recall that generally?

A Generally.

Q Let me tell you that that press conference took place on November 25, 1986.

Do you recall how many days after November 25, 1986, it was that this shredding first occurred?

A No, I can't. I believe it was early December, but I don't remember how many days.

Q That's the best you can fix it right now?

A Yes.

Q Have you ever asked Mr. Secord or Mr. Dutton why you were asked to do the shredding or why they wanted these documents shredded?

A No, I didn't.

Q Are you still employed at STTGI?

A Yes.

Q Do you still see Mr. Secord in the office?

A Yes.

Q Do you see Mr. Dutton in the office?

A Yes.

Q Do they know that you are going to be testifying here today or coming in for an interview?

A Yes.

Q And did you tell them that?

A I don't guess I told them. I think Shirley probably told them, because they knew before I left yesterday, they knew about it.

Q Yesterday you saw the independent counsel, or before you left the office yesterday?

A Before I left the office yesterday.

Q How do you know they knew?

A Well, before I left I said: I won't be here tomorrow morning; I guess you know where I'm going. And they said yes, they did know.

Q "They" being?

A Mr. Dutton and Mr. Secord.

Q Did they say anything to you about the testimony that you were coming to give?

A No, they just said don't worry about it, don't be nervous, and just tell them what you know.

Q You've seen the independent counsel?

A Yes.

Q Did you see him this week, too, or last week?

A That was last week.

Q Did Mr. Dutton or Mr. Secord speak to you about your appearance there prior to the appearance?

A No. They just said, how did it go, or general things like that. We didn't discuss it.

Q What did you tell them?

A I told them it went okay.

Q Did they ask you whether you were asked any specific questions?

A No.

Q Going back to the day you were first asked to shred documents, you mentioned telexes, I believe steno books. What were on the steno -- what was in the steno books?

A Well, it was just day to day notes, like if I would take a phone message I would write it down, then transfer it to the phone book, or just like a scratch pad, really, whatever I was writing for the day, or sometimes dictation. Just everything.

Q Any other kinds of documents shredded that day?

A I don't believe so.

Q How many days after the first did shredding take place again?

A I don't recall. I think it was all in there like together, maybe for a couple of days. You mean how many days after the first day?

Q Yes.

A Probably just two or three.

Q Were there any days when there was shredding apart from the two days that you have now described?

A No.

Q You were here when Ms. Napier testified earlier about cash that she delivered to the Old

Executive Office Building, correct?

A Yes.

Q When did you first hear about that?

A Today. I hadn't known about that.

Q She never discussed it with you before?

She also testified about cashing checks for Mr. Hakim in the amount of $15,000. I believe you heard that testimony. When was the first you heard about that transaction?

A I believe she mentioned that. I don't know when it was. Probably just in the last few weeks, because she had talked about it with the independent counsel or something. In fact, I believe she mentioned the other $16,000, too, the trip to Miami and the $16,000. She had mentioned that just in the last few weeks, too.

Q Did you and she both decide to seek legal counsel at the same time, do you recall?

A Well, I guess it was. We were both subpoenaed about the same time.

Q Did you talk to Mr. Secord or Mr. Hakim or Mr. Dutton about the subpoena when she received it?

A Mr. Secord knew about it, and Mr. Dutton.

Q Did they suggest counsel to you or say anything about it?

A I can't remember. I know that Mr. Green had talked with Mr. Treanor.

Q We won't go into those.

Is STTGI taking care of your legal expenses for this?

A I believe so.

Q Have you ever seen Ollie North at STTGI's offices?

A No, I haven't.

Q When is the last time to your knowledge that Mr. North called your offices?

A I'm not sure. I believe it was last fall of '86.

Q By the way, were you asked at any point prior to retaining Mr. Treanor to talk to Mr. Green and let him know what you knew about these matters?

A No.

Q Have you ever done that?

A No.

Q Do you know if Ms. Napier has ever done that?

A Not to my knowledge.

Q Apart from the independent counsel, your own attorney, and the people who are here today, have you ever discussed with anyone the document shredding in which you participated in September 1986?

A No.

Q On the first day that the shredding occurred, can you tell me approximately how long it went on?

A You mean during that day?

Q Yes.

A No. It wasn't just like all day. It was -- I don't really know. It was just off and on during the day.

Q The same thing the second day?

A Yes, probably not as much.

Q Were you asked at any time before or after those days of shredding to alter any documents?

A No.

Q Were you asked to remove documents from the office at all?

A No.

Q Have you ever been asked to do that?

A I helped Shirley carry the boxes to her car, the boxes she took to Mr. Secord. That's all.

Q And that was in later December 1986, after the shredding?

A Yes.

Q About how long after the second day of shredding was it?

A I don't know. I'd say a week or two.

Q And what did Shirley tell you on that occasion?

A Just that she was taking them to Mr. Secord.

Q Did she say that he had called and asked for them, or anything like that?

A She may have. I don't really recall.

Q But she asked you to carry the boxes to her car?

A To her car. There were two boxes.

Q Did she tell you where she delivered those boxes?

A To the Embassy Suites.

Q When did she tell you that?

A I'm not sure whether it was before she left or when she got back.

Q Did she tell you when she got back who she had seen at the hotel?

A I don't believe she did tell me that.

Q Do you recall if she told you that she had seen Colonel North there?

A I know I knew at some time, but I don't know when, when she told me.

Q Do you know if those boxes were ever returned to your offices?

A I've seen one of them. I don't know if the other one was brought in when I wasn't there.

Q Was the one you saw brought in while you were there?

A Yes.

Q By whom?

A Mr. Secord.

Q Do you remember when?

A Maybe three weeks ago.

Q What has happened to that box?

A Well, most of what was in it has been taken by the independent counsel.

Q What happened to the remainder?

A It's back in the filing cabinet.

Q Do you recall what documents went back into the filing cabinets, what kinds of documents?

A It was just files. I don't recall what files. Just like the rental service for the furniture and things they weren't interested in.

Q The independent counsel had gone through all those materials?

A Yes.

Q So those materials were not removed before the independent counsel took the box out, right?

A No.

Q Do you have a rolodex?

A Yes.

MR. BELNICK: I'll just for the record make the request, addressed to your counsel, that we get a copy of the cards, that we and the House get a copy of the cards on Joan's, Joan Corbin's rolodex.

MR. TREANOR: Yes, I'll provide those, if not this afternoon, then Monday.

BY MR. BELNICK: (Resuming)

Q Did you know Noel Koch, K-o-c-h?

A Yes.

Q Who did you understand him to be?

A I knew he worked for the Department of Defense, Assistant Deputy Director. I'm not sure of the whole title. And he was a friend of Mr. Secord's.

Q Did he call the office?

A Yes.

Q Frequently?

A Fairly frequently, yes.

Q Did he ever visit the office?

A Yes.

Q On how many occasions?

A I'm not sure, but at least a half a dozen, maybe more.

Q Did you place calls to him for Mr. Secord, that is to Mr. Koch?

A Yes.

Q Did you call him at the Defense Department?

A Yes.

Q Do you know what their business was together?

A No, I don't.

Q Did you ever overhear any discussions between them?

A No.

Q Do you know a man named Olmstead?

A Yes.

Q What's his first name?

A William.

Q How do you know him?

A How do I know him?

Q Uh-hmm.

A Well, he has called. He calls for Mr. Secord, and he has been to the office several times.

Q Do you know what his business is with Mr. Secord?

A No, I don't.

Q Or with your company?

A No, I don't.

Q Do you know where he lives?

A No.

Q Do you know where he works?

A No.

Q What does he look like?

A He's tall and slim. He has blond hair, a small moustache, I believe, kind of dark-tinted glasses. And I believe he has one eye that, I'm not sure whether it's an artificial eye or whether he's just blind in one eye.

Q Who told you about the eye?

A Dutton.

Q Bob Dutton?

A Yes.

Q Did he tell you how Mr. Olmstead lost his eye?

A No, I don't believe so.

Q Did Mr. Dutton tell you anything else about Mr. Olmstead?

A No. I believe he mentioned that he was a Marine.

Q That Mr. Olmstead was a Marine?

A Uh-hmm, or had been.

Q Did Mr. Dutton tell you where Mr. Olmstead had served or had been stationed as a Marine?

A No.

Q Did Mr. Dutton or anyone else ever tell you that Mr. Olmstead had served with Lieutenant Colonel North in the military?

A No.

Q Did you ever discuss Mr. Olmstead with Mr. Secord?

A No.

Q Do you know if Mr. Olmstead was a lawyer?

A Not that I know of.

Q And again, you don't know what business he had with your company or with Mr. Secord?

A No.

Q When he came to the office, did he ever meet with Mr. Dutton?

A No.

Q Did you know the name Kopp?

A No.

Q Do you know the name Good?

A Yes.

Q Who was that?

A That was Mr. North.

Q That was a code name for Oliver North?

A Yes.

Q How did you learn that?

A I believe Mr. Secord mentioned it. I'm not sure. Fawn would call, Fawn Hall would call, and say: "Mr. Good would like to speak to Mr. Secord."

Q On those occasions did you recognize the caller's voice as that of Fawn Hall?

A Yes.

Q Did you know who Fawn Hall was?

A Yes.

Q Who was she?

A She was Mr. North's secretary.

Q There were, were there not, certain communications devices in your office?

A Yes.

Q Did you understand them to be encryption or code machines of some kind?

A Yes.

Q Were they there as of the date you started working, in December 1985? Were any of them there?

A No, I don't believe they were.

Q When did the first one arrive, as best you recall?

A I believe it was the summer, the summer of '86.

Q Can you recall who brought -- did one machine arrive or did more than one?

A I believe it was only one.

Q Who brought it?

A I don't recall. I don't think I saw it brought in. It was just there, but I don't know who brought it in.

Q Did there come a time that more such machines arrived?

A I had thought that Mr. Secord and Mr. Dutton were using the same one. There were several of them there later in the year, but they were just in storage in the kitchen area.

Q Did anyone ever tell you the purpose of those machines?

A No. They were just messages.

Q Did you know why they were being used, why -- who used the machine in your office? Let me ask that.

A Mr. Dutton and Mr. Secord.

Q Did you know why they were using a code machine?

A I just assumed it was safer than the telephones.

Q What did the machines look like?

A They had a keyboard and a small screen for writing to appear on.

Q How would you know when the machine was operating, when a message was coming? Could you hear a clatter or a bell?

A No, I didn't, no. Someone would call and say they were going to send a message, and I would tell Mr. Dutton or Mr. Secord, whichever was there. And they would have to do something to hook it up to the phone, I believe, and it would come that way.

Q And did you transcribe, that is type, what came over the machine?

A A couple of times when Shirley wasn't there.

Q Ordinarily Shirley did it?

A Yes.

Q Were you ever asked to make any visits to the Old Executive Office Building?

A No.

Q Were you ever asked to make a delivery to or pick up from any employee of the United States government at any level?

A No.

Q Were you ever asked at any time to deliver anything or pick up anything from Fawn Hall or Oliver North?

A No.

Q Were you involved in any cash transactions? Have you been involved in any cash transaction during your employment at the company?

A Just tax deposits and petty cash.

Q Petty cash?

A Yes.

Q Have you cashed any checks for Messrs. Secord, Hakim, or Dutton?

A No.

Q Have you written any letters or sent any materials in the mail to Mr. Hakim?

A To Mr. Hakim?

Q Yes.

A I don't recall any letters. We sent them -- his mail comes to our offices sometimes. I've sent him mail -- I don't believe so.

Q Do you know the name Tony Greene?

A Yes.

Q Who is he?

A I'm not sure who he is. He calls -- he used to call and talk to Mr. Secord.

Q From where, do you know?

A From London and other foreign countries. I don't know where. I could just tell it was long distance or overseas calls.

Q Do you know what his business was?

A No, I don't.

Q Have you ever heard of a Mr. Nir?

A Yes.

Q Who did you understand him to be?

A I don't know who he was.

Q Did you ever send anything to him?

A Yes, I sent an envelope to him at DHL.

Q When?

A I believe it was last summer.

Q The summer of 1986?

A Yes.

Q Do you know what was inside of that?

A No, I don't.

Q How large of an envelope? Business letter size?

A The brown, the larger brown kind.

Q Could you feel, was it bulky inside?

A I believe so, yes.

Q Did it feel like paper or something harder? What did it feel like?

A I think it was papers.

Q Who gave you the package to send?

A Mr. Secord.

Q And you addressed it to Mr. Nir in Israel?

A I believe it was Israel.

Q Do you recall which city in Israel?

A No, I don't.

Q Do you recall if it was Tel Aviv?

A I don't know for sure.

Q Did he tell you to send it -- you say DHL. What does that mean?

A That's overseas, like Federal Express, only it goes overseas.

Q Expedited delivery?

A Yes.

Q Did Mr. Secord specifically instruct you to send it expediticusly?

A Yes.

Q Did you call to confirm receipt or anything like that?

A No.

Q Did you get a receipt of delivery back?

A No.

Q Do you know who Mr. Robert McFarlane was?

A Yes.

Q I'm referring to the former National Security Adviser to the President. Do you understand that?

A Yes.

Q Did he ever call Secord's office?

A I believe he got a call several times from a Mr. McFarlane. I'm not sure that it was this Mr. McFarlane.

Q Did you hear that McFarlane voice on the other end of the line?

A Yes.

Q Have you had occasion to hear Mr. Robert McFarlane speak on television or on the radio?

A Yes.

Q Did the voice you heard on the phone sound like the one you've heard on TV, or can't you tell?

A I don't know.

Q Did Mr. Secord ever tell you or did Mr. Dutton ever tell you that the McFarlane calling was Robert McFarlane from the National Security Council?

A No.

Q Did anyone ever tell you that was the McFarlane?

A No.

Q Did you place any calls to Mr. McFarlane for Mr. Secord?

A No.

Q The calls that came to Secord from a Mr. McFarlane, when did they occur?

A They were probably last summer or earlier.

Q The summer of '86 or earlier?

A Yes.

Q How many calls?

A Probably only two that I can think of.

Q You know the name John Poindexter from the newspapers, correct?

A Yes.

Q Did Admiral Poindexter ever call, to your knowledge?

A Not that I recall.

Q Were you ever asked by anyone to place any calls to Mr. Poindexter?

A No.

Q Do you know what -- strike that.

You placed calls to Oliver North, I believe you testified, correct?

A Correct.

Q For Mr. Secord?

A Yes.

Q For Mr. Hakim as well?

A I believe he did a couple of times.

Q For Mr. Dutton?

A Yes.

Q And calls came in from Mr. North for Secord?

A Yes.

Q For Dutton?

A Yes.

Q For Hakim?

A Yes.

Q Did you know what the nature of the business dealings were between North and your company or those people?

A No, I didn't.

Q Did you ever hear that discussed or speculated about?

A No.

Q Did you ask anyone?

A No, I didn't.

Q Did you ever discuss it with Shirley?

A We would discuss that we didn't know what was going on and didn't know what to do.

Q Were you curious?

A Yes.

Q But didn't ask. Why not?

A Well, I guess I figured if it was something I should know I would be told.

Q How did you come to be employed by STTGI?

A I was working for a temporary company. I had worked there as a temporary from October to December, and then went on as their employee.

Q Did you know anything about Secord, Hakim, or Dutton before that?

A No, I didn't.

Q Do you know the name Lake Resources?

A Yes.

Q How do you know that name?

A We had stationery printed with that name.

Q When did you have that stationery printed?

A I believe that was that summer.

Q Did you take care of that?

A Yes.

Q At whose request?

A Mr. Hakim's.

Q How much stationery did you have printed?

A Just one box, a ream. I think it's 500.

Q What printer?

A Minuteman Press.

Q Where?

A Somewhere, Tysons Corner. I don't recall the address.

Q What did you do with that stationery when it was printed?

A Put it in the file cabinet.

Q Did you ever use it?

A No.

Q Did you give copies to anybody?

A I don't believe so.

Q What address was printed on the stationery for Lake Resources?

A I can't remember the address.

Q Do you remember where in the world it was? Was it an American address, Panama, Swiss?

A No, I don't remember.

Q Did you ever hear of a company known as Hyde Park Square Corporation?

A No.

Q You've heard of Willard Zucker?

A Yes.

Q In what connection have you heard of him?

A He works with CSF in Switzerland.

Q A Swiss company?

A Yes.

Q What kind of company do you understand CSF to have been?

A A financial or banking company.

Q Any relationship between CSF and your company?

A Just that -- I'm not sure. Our company has some business relations with them. I'm not sure exactly what it is.

Q Did telexes come into your company from Mr. Zucker?

A Yes.

Q From CSF?

A Yes.

Q Was Zucker himself ever in the office to your knowledge?

A No.

Q Did you place calls for him for Mr. Secord?

A Yes.

Q For Mr. Hakim?

A Yes.

Q For Mr. Dutton?

A Yes.

Q Where did you reach him when you placed calls for Mr. Zucker?

A At his office in Geneva.

Q What did you understand his job to be at your company?

A I understood that he was hired to handle whatever was going to be done down South, they called it.

Q "Down South"?

A Yes.

Q That was his term, Dutton's?

A Yes.

Q What did you understand to be "going on down south" insofar as your company was concerned?

A Well, I wasn't sure. I remember hearing about an airstrip that was being built, and I didn't really know what was going on.

Q Where was the airstrip being built?

A I think it was called Lopango or Ilopango.

I'm not sure how it's pronounced.

Q From whom did you hear about Ilopango?

A Bob Dutton.

Q What did he tell you?

A I just remember things like how much mud there was and they were having problems building it because of the weather and things like that.

Q Did you ever hear discussion about an airfield being built in Costa Rica?

A No, I don't believe so.

Q Did anyone by the name of Mack ever communicate with the office?

A Mack?

Q Yes.

A No.

Q How about Mick?

A No.

Q How about Mo? Mack, Mick, or Mo?

A No.

Q Did you ever hear a discussion about the Farm?

A Yes.

Q Who talked about the Farm?

A I don't think there was any talk about it. It was on a sheet that I typed for Mr. Dutton, an organizational chart or whatever it was.

Q The Farm was listed?

A Yes.

Q Was the Plantation listed?

A I'm not sure. I think it was.

Q Could you tell what those terms referred to?

A Not exactly. I knew they were places, but no.

Q Did you think the company owned a farm and a plantation?

A No.

Q Did you think those were code names, too?

A Yes.

Q Do you know what they were code names for?

A No. They were locations, but I'm not sure where.

Q Did you ever hear talk about Aguacote?

A What was that?

Q Aguacote?

A No.

Q Do you know the name Adolfo Calero?

A Yes.

Q Did he call the office?

A No.

Q Did you place any calls to him?

A No.

Q How do you know the name?

A It's in my rolodex, and I believe Tom Green called to get his phone number once.

Q When?

A It's been a long time.

Q Before November 1986?

A Probably.

Q The best you recall?

A The best I can remember.

Q Who was Glenn Robinette?

A A business acquaintance of Mr. Secord or a friend, I'm not sure.

Q Did you see him in the office?

A Yes.

Q On many occasions, a few?

A Pretty often.

Q Throughout 1986?

A Yes.

Q When was the last time you saw him there?

A The day before yesterday.

Q Who did he meet with two days ago?

A Mr. Secord.

Q For how long?

A Just briefly. He came in and was in his office for just a little while, and then they left.

Q Did you overhear any of their conversation?

A No.

Q When was Mr. Robinette in for the last time before two days ago?

A I guess that would have been probably three weeks or so.

Q Did he usually come in at least once a month?

A Yes.

Q During 1986; and sometimes more frequently?

A Yes.

Q Did he pick up checks?

A Not that I know of.

Q Did he bring anything with him on those occasions?

A He did pick up a check one time I was there.

Q From whom?

A From Mr. Secord.

Q Do you know for how much?

A $2,000.

Q Do you know to whom that check was made out?

A To Mr. Robinette.

Q Did you see it?

A Yes.

Q How did you happen to see it?

A Because Mr. Secord gave it to me and said, put it in an envelope with Mr. Robinette's name on it.

Q Did you know what it was for?

A No. It said "consulting services."

Q Did Mr. Secord cut that check himself, do you know?

A Yes.

Q How do you know that?

A It was handwritten in his handwriting.

Q Was that unusual in terms of office practice, for him to write out a check?

A No, he does that.

Q Can you place in time when this $2,000 check was given to Mr. Robinette, Joan, as best you can?

A I think it was about three weeks.

Q Three weeks ago?

A Yes.

Q Some time in March of this year?

A Yes.

Q Do you know what kinds of services Mr. Robinette performed for your company?

A No, I don't.

Q Do you know if he provided any services to Oliver North?

A Not to my knowledge.

Q Did Mr. Thomas Clines, C-l-i-n-e-s, come into the office at all?

A Yes.

Q Frequently?

A Fairly regularly, yes.

Q Who did he come in to see?

A Mr. Secord.

Q Anyone else?

A Mr. Hakim if he was in town.

Q Do you know what his business was, Mr. Clines'?

A No, I con't.

Q Did you place calls to him?

A Yes.

Q To where?

A In South Carolina or Middleburg.

Q Do you know Sam O'Neill?

A Yes.

Q Did he come into the office?

A Yes.

Q How many times?

A Maybe two or three.

Q In 1986?

A Yes.

Q When in 1986?

A I con't recall. It was probably summer or eariler.

Q Do you know what his business was?

A No, I con't.

Q Could you describe what he looked like?

A He was large, tall, and he has blond hair.

Q Did he wear glasses?

A I believe so.

Q Do you know whether that was his real name, Sam O'Neill?

A I don't know.

Q Did you make travel arrangements occasionally for Secord and Hakim?

A Occasionally.

Q What travel agency did you use?

A BT Travel.

Q Where is that located, Tysons Corner?

A Yes.

Q Did you place calls to Mr. David Walker?

A Yes.

Q Who did you understand him to be?

A I didn't know who he was.

Q Who called him, Mr. Secord?

A Yes.

Q Mr. Hakim?

A I don't believe so.

Q Mr. Dutton?

A No.

Q Did Mr. David Walker call your office occasionally?

A Yes.

Q Ask for Secord?

A Yes.

Q Do you know what Udall is, U-d-a-l-l?

A I've heard the name, yes.

Q What is it?

A I don't know what the company is. We had stationery printed for them also.

Q Did you hear the name B-a-n-d-a-r at the office?

A Yes.

Q How did you hear his name?

A There is a card in my rolodex with the name on it, and there was a Prince, I think it was Bandar, that came to the office once. He's not the ambassador. He may be his nephew or something. He was quite young.

Q How young?

A About 30.

Q All right. It seems younger to me every day.
And when did he come to the office, the young prince?

A That was last summer.

Q Summer of '86?

A Yes.

Q July, August? Do you remember?

A I really don't know.

Q Who did the young prince come to see?

A Mr. Secord.

Q He met with him for how long?

A Just briefly. I think it was to say hello.

Q You didn't overhear any of the conversation?

A No.

Q Do you know the name Erich von Marbod?

A Yes.

Q And does he ever call the office, do you know?

A I don't believe so.

Q How did you know the name?

A It's in my rolodex.

Q How did the names get in this rolodex?

A I don't know. They were there before I was.

Q Do you know who your predecessor was?

A Patty Cooling, D-o-o-l-i-n-g.

Q Where is she?

A I believe she still works in Virginia.

Q Do you know why she stopped working for the company?

Is she married? Is that her married name, do you know?

A I think so.

Q Patricia Dooling?

A I think so.

Q Did Shirley have a predecessor as staff assistant?

A No.

MR. BELNICK: I just want to mark this subpoena as Corbin Exhibit 1.

(The document referred to
was marked Corbin Deposition
Exhibit No. 1 for
identification.)

MR. BELNICK: I will represent to your counsel, Gerry, that Corbin Exhibit 1 I believe to be a true copy of the subpoena that we served on Ms. Corbin. And let me just ask you, Gerry, whether you or Ms. Corbin has looked for the documents requested in the Senate subpoena.

MR. TREANOR: Yes, we have.

MR. BELNICK: And have found none?

MR. TREANOR: We have found no documents responsive to the attachment other than the copy of the rolodex.

MR. BELNICK: Which you'll be providing.

MR. TREANOR: And information concerning her telephone number, and I believe we thought possibly responsive to that subpoena is a personal telephone directory which she keeps at her home. And I would represent to you that none of the names you've asked about today are in that personal telephone book.

Those are the only items that I know of. Those have all been -- those are in the process of being reproduced today.

MR. BELNICK: I appreciate that.

MR. TREANOR: And we'll be happy to provide those to you promptly Monday morning.

MR. BELNICK: To us and to the House?

MR. TREANOR: And to the House.

MR. BELNICK: Okay.

MR. BALLEN: Just for the record, you received the House subpoena and you made the same search?

MR. TREANOR: Yes. The subpoena is different, but I think called for the same information.

MR. BELNICK: Ken, why don't you take over.

BY MR. BALLEN:

Q I just have a couple of questions.

Did you place any calls to a Dr. Barnell in Portugal?

A Yes.

Q What were the circumstances of that?

A Mr. Clines would sometimes ask me to get Dr. Barnell on the phone in Portugal.

Q And do you recall, did he have a first name?

A Jose.

Q Just taking you back to early December again and the shredding, if I understand correctly you were asked to destroy certain rolodex cards?

A Yes.

Q Do you recall any of the names on the cards you were asked to destroy?

A There was Mr. North, I believe Mr. Olmstead, David Walker, Tony Greene. Those are the only ones I can think of right now.

Q Who was it that asked you to destroy those?

A I believe Shirley went through the cards, and we just destroyed the same ones that were in our file. The Rafael Quintero, that was later, because he had had his number changed and I didn't have the new one.

Q I believe you said earlier that Mr. Dutton was also shredding on that occasion?

A Yes.

Q And Mr. Secord was also shredding?

A I believe so. I didn't actually see him doing it.

Q What led you to believe that Mr. Secord was shredding?

A Well, he was in the room and I heard the shredder. I didn't see what he was doing.

Q You heard the shredder running and he was in the room. Did you see him go in the room?

A Yes.

Q Did you see him going in the room carrying anything?

A No. I wasn't paying any attention to what he had in his hand.

Q Was there anyone else in the room when he was in the room and the machine was on, that you know of?

A Not that I know of.

Q Now, I believe you testified earlier that you were taking documents to Mr. Secord for Mr. Secord that Shirley Napier was taking to the Embassy Suites; is that correct?

A Yes.

Q And that was after the second day of shredding, if you recall?

A Yes.

Q And what would that be, some time in December?

A Yes.

Q Would that be after the first week of

December, to the best of your recollection?

A I believe so.

Q After December, after these days of shredding that you described, were there other times after that that documents have been shredded since December of 1986?

A Well, documents are shredded or papers are shredded just routinely all the time. I don't know what would have been -- we just shred things sometimes instead of throwing them in the trash.

Q But not any other events where Mr. Secord -- or there was an organized effort to do this?

A No.

MR. BALLEN: I have nothing further.

MR. BELNICK: Gerry, do you have any questions?

MR. TREANOR: No.

MR. BELNICK: Joan, would you like to say anything more?

THE WITNESS: No.

MR. BELNICK: Then on behalf of the House and the Senate Committees, let me thank you for your cooperation and your testimony today.

MR. BALLEN: I just want to reiterate that.

(Whereupon, at 4:35 p.m., the taking of the instant deposition ceased.)

____

Signature of the witness

SIGNED AND SWORN TO before me this ______________________

day of ______________________, 198___.

____

Notary Public

My Commission expires:

CERTIFICATE OF REPORTER

I, JANE W. BEACH, the officer ore whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by ME; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the tcome of the action.

Jane Beach
NOTARY PUBLIC

My commission expires November 14, 1991.

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UNITED STATES OF AMERICA

Congress of the United States

To Joan Corbin

, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION *of the Senate of the United States, on* March 30 *, 19*87*,* *at* 10:30 *o'clock* p. *m., at their committee room* Hart Senate Office Building, 9th Floor *, then and there to testify what you may know relative to the subject matters under consideration by said committee.*

Pursuant to Committee Rule 6, this subpoena directs appearance at the deposition whose notice accompanies it. You must bring with you the materials listed in Attachment A.

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To any Select Committee staff member or U.S. Marshal *to serve and return.*

Given *under my hand, by order of the committee, this* 25 *day of* March *, in the year of our Lord one thousand nine hundred and* eighty-seven

Warren B. Rudman

Vice Chairman
Warren Rudman

[redacted]

UNITED STATES OF AMERICA

Congress of the United States

Notice of
Senate Deposition

To Joan Corbin

, **Greeting:**

Please *take notice that at* 10:30 *o'clock* a. *m., on* March 30, *19*87 *at* Hart Senate Office Building, 9th Floor

of the staff of the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition of the Senate of the United States, will take your deposition on oral examination concerning what you may know relative to the subject matters under consideration by said Select Committee. The deposition will be taken before a notary public, or before some other officer authorized by local law to administer oaths; it will be taken pursuant to the Select Committee's rules, a copy of which are attached.

Given *under my hand, by authority vested in me by the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition on* March 25, *1987*

ATTACHMENT A

JOAN CORBIN

The respondent shall produce:

1. With regard to any activity undertaken by any corporation or partnership or association in which you have been an officer, director, partner or employee, all materials relating to:

a. the payment of and service provided of any employee or provider of any personal service, including consultants, advisors, accountants, bookkeepers, shippers, warehousers, travel agents, freight forwarders, attorneys, and tax preparers, including any list of such persons' names, addresses or phone numbers.

b. the provision of any communication services, including but not limited to telephone, long distance phone, mobile phone, pager, telex, or expedited mail services.

c. the incorporation, designation of officers or directors, stock issuance, stock transfers, capitalization, financing, or corporate acts of any corporation, its parent, affiliated corporation or subsidiaries, if any, foreign or domestic including any and all corporate resolutions.

d. tax records of any kind including income tax returns and supporting documents, filed with any department or agency of the United States, any State, or a foreign government.

e. accounting records showing the profitability, net worth, assets or liabilities.

f. the provision of any financial services, including but not limited to banking, pension, investment, lending, brokering, financing, bookkeeping, accounting or financial advising services, wherever located.

g. the receipt, transfer or transportation of currency or any cash equivalent of a value of more than $1,000.

h. any contract, agreement, or consultant arrangement involving, or any compensation from, any department division or agency of the United States, any State or political subdivision thereof, or any foreign government or subdivision thereof, whether executed or not, including those in which involvement was limited to consulting, advising, or discussing such event.

i. or consisting of appointment books, phone or other communication messages, phone number compilations or lists, diaries, calendars or contemporaneous records of daily activity such as time billings.

j. the acquisition by any person, transfer or transportation, whether by purchase, sale, lease, consignment or shipment, of:

1. any weapon or ammunition of any kind
2. any supply suitable for use in combat
3. any air, sea or ground transportation vehicle or vessel

including but not limited to materials relating to the sources and disposition of all financing and payments for such items.

k. travel within, to or from Iran, Israel, Switzerland, Panama, Bermuda, Liberia, Lichtenstein, Hong Kong, the Cayman Islands, Portugal, Denmark, Saudi Arabia, El Salvador, Costa Rica, Nicaragua, Honduras or Guatemala, by any officer, director, agent, employee, or provider or any personal services, including but not limited to consultants, advisors, or contractors.

l. any communication with any person or entity in any of the countries in (k) above, whether in writing, telecommunication, radio or otherwise, by any officer, director, agent, employee or provider of any personal service.

m. the purchase, sale, provision, transfer or transportation of any goods or services within, to or by any person or entity in any of the countries in (k) above.

2. With regard to any activity undertaken personally or as a consultant, independent contractor or in any other capacity, all materials required in (1) above.

3. All materials relating to any of the individuals or entities in Appendix A hereto.

4. All materials relating to any American citizen held hostage.

5. All materials relating to forces opposing the government of Nicaragua, including financial, military or other assistance to such forces, whether in Nicaragua or elsewhere.

The term "materials" in this subpoena includes any book, check, cancelled check, correspondence, communication, document, financial record, recording tape, or any other item which you own or in any way have in your custody or under your control or that of any agent of yours, dated, created on, or relating to any date since January 1, 1982.

For any questions regarding this subpoena, contact Mark Belnick at (202) 224-9960.

APPENDIX A

1. Any of the following persons:

Bermudez, Enrique
Calero, Adolfo
Calero, Mario
Cameron, Bruce
Conrad, Daniel L.
Chamorro, Pedro
Cooper, William J.
Clines, Thomas
Cruz, Arturo
Cruz, Arturo, Jr.
de Senarclens, Jean
Dutton, Robert
Fischer, David
Furmark, Roy
Gadd, Richard
Garnel, Jose
Ghorbanifar, Manucher
Gomez, Francis
Hakim, Albert
Hashemi, Cyrus
Hull, John
Kashoggi, Adnan
Kimche, David
Ledeen, Michael
Lilac, Robert
Lilac, Robert
McMahon, Steve
McFarlane, Robert
F. Andy Messing, Jr.
Montes, Oscar
Nimrodi, Yaacov
Nir, Amiram
North, Oliver L.
Poindexter, John
Quintero, Rafael
Robelo, Alfonso
Robles, Rodolfo
Rodriquez, Felix aka Max Gomez
Rose, Jose Bueso
Sacasa, Marrio
Sanchez, Aristides
Schwimmer, Adolph (Al)
Secord, Richard V.
Shackley, Theodore
Singlaub, John L.
Soghanalian, Sarkis
Sommeriba, Leonardo
Wilson, Edwin
von Marbod, Erich.
Zucker, Willard I.

2. Any person employed by, acting as an agent for, or representing:

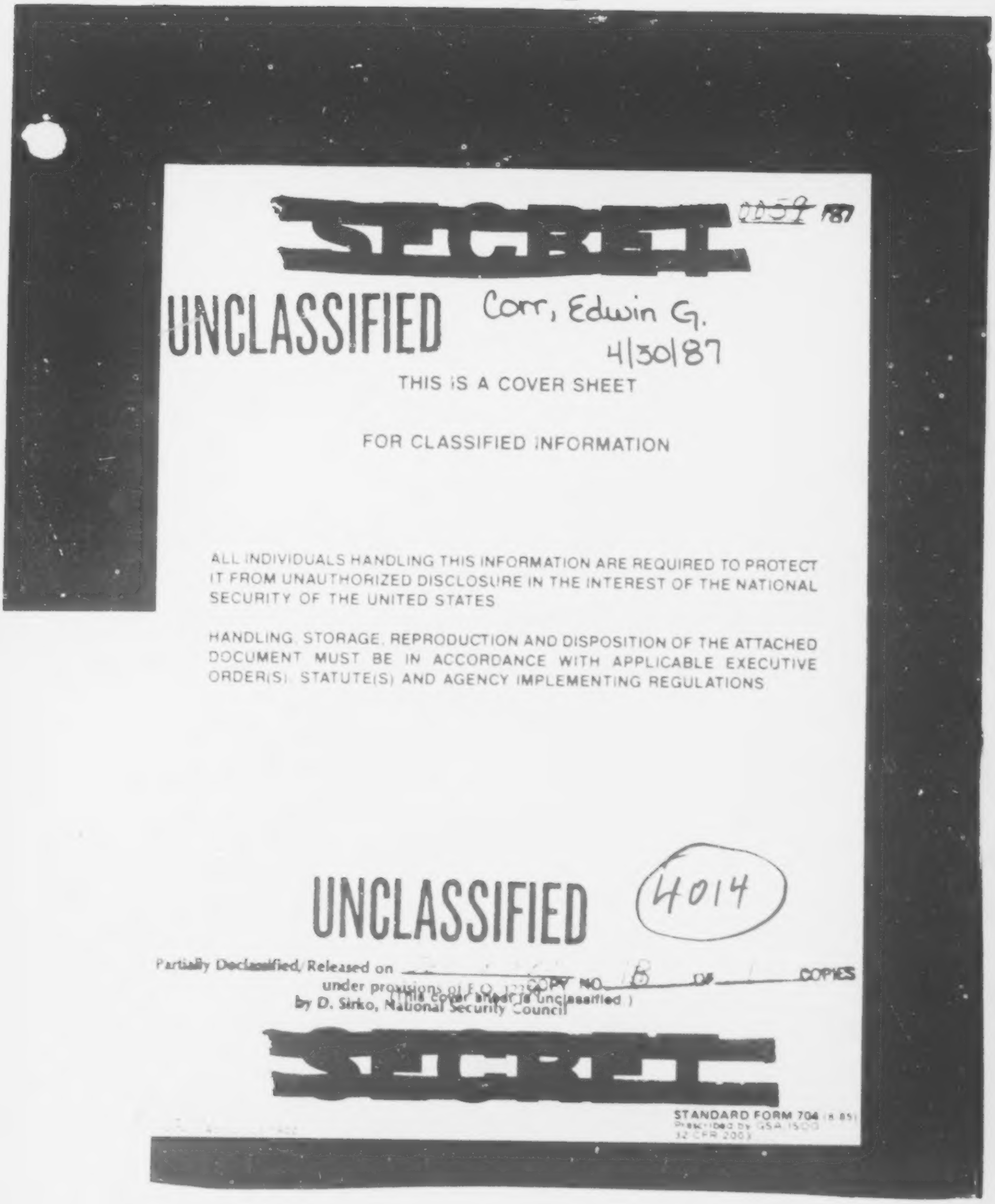
U. S. Air Force
Military Airlift Command
Central Intelligence Agency
National Security Council
President's Intelligence Oversight Board
Federal Aviation Administration
Geneva Commercial Registry
Military Reutilization and Material Supply Department, Portugal
National Armaments Directorate, Portugal
Nugen-Hand Bank, Australia
Overseas Defense Corp.
Department of Defense
Lloyd's of London
any agency, division, or department of the United States government with responsibility for foreign relations, for intelligence activities, or for manufacturing, storing, shipping, selling, transferring, monitoring, or accounting for any arms, munitions, or military personnel
any agency, division, or department of the government of,

any instrumentality of, or any national of, or person located in Iran, Israel, Switzerland, Panama, Bermuda, Liberia, Lichtenstein, the Cayman Islands, Portugal, Denmark, Saudi Arabia, El Salvador, Costa Rica, Nicaragua, Honduras, or Guatemala

3. Any of the following entities, or any entity whose name is as listed, but followed by Inc., Corp., Corporation, Ltd., Co., Company, or SA., doing business in any location whatever:

   ACE
   Airmach, Inc.
   Albon Values
   Alpha Serivces, S.A.
   Amalgamated Commercial Enterprises, Inc.
   American Marketing and Consulting, Inc.
   American National Management Corporation
   Baggett Transportation Company
   CSF
   CSF Investments Ltd.
   CSFR Inv. Ltd.
   Chester Co.
   Compagnie de Services Fiduciares SA
   Corporate Air Services, Inc.
   Dataguard International
   Defex - Portugal
   Dolmy Business, Inc.
   EAST Inc.
   EATSCO
   Eagle Aviation Services and Transportation
   Egyptian American Transport Services, Inc.
   Energy Resources International
   Fifteenth of September League
   Gulf Marketing Consultants
   Hyde Park Holdings
   Hyde Park Square Corporation
   I. B. C.
   IDEA
   Intercontinental Technology
   International Research and Trade
   Kisan
   Lake Resources Corp.
   Lake Resources, Inc.
   Lilac Associates
   Maule Air, Inc.
   Missurasata
   NRAF Inc.
   National Defense Council Foundation
   National Liberation Army
   N. S. I.
   Nicaraguan Democratic Force (FDN)
   Nicaraguan Democratic Union
   Nicaraguan Development Council

Nicaraguan Freedom Fund, Inc.
Nicaraguan Revolutionary Armed Forces (FARM)
Project Democracy
Queen Shipping
R. M. Equipment Co.
Revolutionary Democratic Alliance (ARDE)
S & S Trading Corp.
SOME Aviation
Secord Associates
Southern Air Transport, Inc.
Southern Bloc Opposition (BOS)
Stanford Technology, Inc.
Stanford Technology Trading, Inc
Stanford Technology Trading Associates, Inc.
Systems Services International
Trans World Arms Inc.
Udall Corporation
Udall Research Corporation
Udall Resources, Inc., S.A.
United Nicaraguan Opposition (UNO)



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UNCLASSIFIED Corr, Edwin G.
4/30/87

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DEPOSITION OF
EDWIN G. CORR
- - -
Thursday, April 30, 1987
- - -

United States Senate
Senate Select Committee on Secret
Military Assistance to Iran and
Nicaraguan Opposition
Washington, D.C.

Deposition of EDWIN G. CORR, called as a witness by counsel for the Senate Select Committee commencing at the Offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., the witness having been duly sworn by JANE W. BEACH a Notary Public in and for the District of Columbia, the proceedings being taken down by Stenomask by JANE W. BEACH and transcribed under her direction.

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APPEARANCES:
TERRY A. SMILJANICH, Esquire
Senate Select Committee
TIM TRAYLOR, Esquire
DIANE DORNAN, Esquire
House Select Committee
LINDA JACOBSON, Esquire
Legal Adviser's Office
United States Department of State
Washington, D.C.

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P R O C E E D I N G S

Whereupon,

EDWIN G. CORR

was called as a witness in the above-entitled matter and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE
BY MR. SMILJANICH:

Q This is a deposition being taken by both the Senate Select Committee on secret transactions with Iran and the Nicaraguan Opposition and the House Committee on the same subject.

The purpose of the deposition will be to go through several matters in connection with the witness and matters he may have familiarity with in connection with his ambassadorship in El Salvador.

Why don't we start, Ambassador. Give us your full name.

A Edwin G. Corr, C-o-r-r.

Q You are Ambassador currently to El Salvador. Is that correct?

A That's correct.

Q And when did you start your tenure as Ambassador?

A I arrived there on August 26, 1985, and I presented my credentials a few days later.

Q And you are a career Foreign Service officer?

A That's correct.

Q Ambassador, when you, either shortly before or when you first arrived in El Salvador, you obviously had some discussions with the previous Ambassador, Thomas Pickering, to help prepare you for role as an ambassador. Is that correct?

A Yes, we got together both in Washington and at
Homestead> — ~~Homsted,~~ Air Force Base, where there was Chiefs of Missions meeting. ✓

Q Do you happen to know when that Chiefs of Missions meeting was in relation to when you started?

A I do not, but I think it was in July, but I cannot say that with certainty. I would have to go back and look it up. It was while I was still ambassador in Bolivia. I came up to do that as kind of a prelude briefing to going to Salvador. ✓

Q In any of your discussions with Ambassador Pickering, did he discuss with you an individual by the name of Felix Rodriguez?

A Yes.

Q Tell me what you can recall Ambassador Pickering telling you about this individual?

A As I recall, and ~~some of~~ it is difficult to know all that I learned from him, and what I may have learned ✓

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by D. Sirko, National Security Co

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subsequently, but, to the best of my recollection, he told me that Felix Rodriguez--and I can't remember whether he used the name Felix Rodriguez or Max Gomez; I believe he used the name Max Gomez--I am not certain whether it was then or later I learned that the man actually had two names, and that his real name was Felix Rodrigu*e*z.

But I believed for some time--and therefore beginning then, I believed his name to be Max Gomez, and that he was working [redacted] that he was not being paid by the United States Government; that he was not being paid by the Salvadoran Government, at least to our knowledge, in any way; and that he was a man who was a retired U.S. Government employee.

I believe, but I am not certain of this, that I was ~~kind of~~ under the impression initially--and I don't know whether I got it from Tom or elsewhere--that he was retired military, but I subsequently learned, or either learned at that time, that he was a retired CIA employee.

He had a huge amount experience--I later learned that he had even more. ~~experience~~ But, I learned particularly at that time that he had experience in Vietnam, particularly with a type of operation which in Vietnam was called the [redacted] concept, which in Salvador is called the [redacted], or the [redacted] concept. [redacted] and that Felix had been very successful and was successful in helping to introduce this concept to Salvadorans for use against Salvadoran guerrillas; that a great deal of success was being gained and had been gained by ~~that purpose by~~ that work of his.

Q Did Ambassador Pickering, to your recollection, tell you that Max Gomez or Felix Rodriguez had any close connections with the Vice President's office?

A I'm not certain of that. I might be able to tell you, if I were to dig out the notebook in which ~~that~~ I took notes while Tom was briefing me about a whole host of things on ~~San~~ El Salvador. ~~and~~ I believe that I still have that notebook.

I do not know whether Tom told me that, or whether I learned that later, but I did come to know that he had close connections with the Vice President's office, and I could not say whether I learned that first from Tom, or learned that later.

Q Can you at least tell us whether it was very long into your tenureship as Ambassador when you learned that there was a close connection with the Vice President's office?

A I knew it prior to November of 1985. I believe it was in November of '85 when I had a telephone conversation while here in Washington with Don Gregg. I was asked to call him, and I did call him. ~~and~~ Don told me that he had served with Felix in Vietnam, that Felix was a tremendous person, that he was a real hero, that he was a real, committed American; that he had done a great job ~~there~~ in Vietnam; that he was fearless; ~~and that to~~ that I should know ~~knowledge~~ he had done a great job in Salvador. ~~in trying to help on this. And~~ It was kind of ~~just~~ like a "good recommendation."

I am also practically 100 percent certain ~~I believe~~ that there was no mention--I'm just sure--in that telephone conversation--of any relationship that Felix might ~~have~~ had beyond working with the Salvadoran Air Force against Salvadoran guerrillas.

Q What was the purpose of Mr. Gregg's call that you could tell, just beyond telling you, vouching for Mr. Rodriguez? Did he want you to do anything with Mr. Rodriguez?

A I think what he wanted me to know that Felix was a good guy. ~~because~~ When I first went to Salvador--perhaps this is kind of an individual idiosyncracy, or perhaps it is what one learns through many years of foreign service-- ~~is that~~ I was a little wary of Mr. Rodriguez. Maybe it shows a lack of idealism on my part--I hope not--but many times the kind of people who go around the world without pay to get involved in combat, or to be near combat, not necessarily to be involved in it, are [illegible] ~~I just say that~~ One of the biggest problems you can have in Central America is for some "soldier of fortune" to show up who wants to take out some very expensive aircraft that the United States Government has provided to a country, and crack it up.

So either through experience, or through kind of a--

MS. JACOBSON: Excuse me.

MR. SMILJANICH: I was going to let him finish his answer. For the record, this is--

MS. DORNAN: Diane Dornan.

MR. SMILJANICH: --Diane Dornan. She is with the House Select Committee.

THE WITNESS: Hi, Diane.

MR. SMILJANICH: This is Ambassador Corr. This is Linda Jacobson.

MS. JACOBSON: Excuse me for interrupting.

MR. SMILJANICH: Also, while we are interrupted here, one thing I forgot to state at the beginning of this deposition is that I have asked for the classification level of this deposition to be Secret, thinking that probably that is about as high as we will ever probably need to go in any matters you might discuss.

THE WITNESS: If I reach a point I think it should

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go higher, I will tell you.

MR. SMILJANICH: Fine. Keep in mind that we are at the Secret level, but that if you need to go higher, say so, because I believe--you know, I want to keep it as low a classification as possible, but we can go higher because I believe everybody here is cleared, including the court reporter.

THE WITNESS: I don't envision it being necessary, but I assure you that if I reached a point where I thought it was, I would make that clear.

BY MR. SMILJANICH: [Resuming]

Q Okay, great. Do you remember where you were?

A I was saying that for various reasons I had a certain wariness about dealing with Felix, or Max, and I think that probably might have been conveyed by Max to Don, or something like that. Anyway, Don asked when I was up for consultations to give him a call, and I gave him a call, and he said, "Hey, look, this guy is okay. He has done a great job, and he is contributing to the effort that you are involved in down there."

Q How can you place this call as approximately in November of 1985?

A How can I place it?

Q Yes. What is it about the conversation that you can put the date on it? Have you looked at something?

A Yes, because as I stated in one of the several messages I had to send up here, I have ~~had~~ some personal notes. I very often, not always but very often, when I am talking on the phone make some notes, and throw them into a folder. Sometimes I throw them in a folder, and sometimes I don't. And on that call ~~that one~~. [~~I had actually, I think I probably wrote anyway~~] I've got some notes [from that phone call.]

Q Okay, fine. Great.

A That were made at the time, or either immediately thereafter.

Q And it would help if you have done so, but have you recently gone through your notes?

A ~~Mat~~ Early this morning. As ~~and~~ I was telling Linda, ~~that~~ I realize what we are doing here is of extremely great importance to our country, and [~~to the relationships that we have, but~~] it may appear ~~seem~~ strange to those of you who are so deeply involved in it, but my own priorities of ~~in~~ work in El Salvador are such that, whereas this may have been your mainstream activity, it has not been mine. [~~and~~] I have not had time to go back (even yet) and look at everything.

We have searched our files, as we were requested to do, and any folders or ~~anything~~, but I myself (personally) have not had time to [~~really try to~~] review everything. [~~That I can in terms of this~~] I started making a chronology this morning [~~in my own mind~~] and only got about halfway through.

reported on

notes

written

my folders

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before I got here.

So I just say that-- not to diminish in any way your work, but to try to help you understand my work. ~~But~~ I have people who are being killed down there. I have other things that I am involved in, and it is about ~~16~~ 15 hours a day [illegible]

Q Let me make a--I am glad you made that comment, and let me respond. First of all, I fully appreciate the fact that El Salvador is certainly not what one would call a quiet post. There are a lot of things going on down there, including the fact that an American military man was just killed in the past month.

I fully appreciate that, and realize that what we are dealing with here is somewhat peripher~~y~~al to your main mission in El Salvador.

Understanding that, as you stated these are very important matters that have gotten the attention of a lot of people, and we certainly need to go through it and try to concentrate on this for right now, and get your best recollection and information about these matters.

A That is what I am trying to do.

Q Okay. Back to your initial conversations with Ambassador Pickering. Do you recall him telling you in any way that Mr. Rodriguez had any kind of relationship or role with the FDN, the Nicaraguan Resistance?

A I do not. Let me just say one other thing. I fully intend--and I am sorry I did not pull ~~it~~ them out, ~~and~~ I did pull some things out of my files, I will try to look at the notes that I made. I may be remiss in not having done so. To the very best of my recollection, ~~I do not have any knowledge at all of his having told me that at all~~.

to look at notes I made while talking with Ambassador Pickering

with Tom.

Tom did not mention any association of Felix with the FDN or the Nicaraguan Resistance.

Q Maybe I should remind myself to say this at the end of the deposition, but let me just say now that if after we have gone through this deposition, if you go back and--and I would like to continue to go through your notes and do what you were doing--and if you come across anything that you feel has refreshed your memory, or you were a little incorrect about something and now you see a note that reminds you of something else, certainly we can work something out where you could come back at some time under a convenient arrangement and go back on the record.

A Or maybe you will come down.

Q Yes, maybe we will come down; right.

Okay. What did you tell Mr. Gregg. What was your response to him after he vouched for Mr. Rodriguez?

A "I said, "fine, ~~you know~~ glad to have your opinions on ~~Felix~~."

Q Can you put a time period as to when you first became aware that Mr. Rodriguez's role in El Salvador, and particularly [redacted] went beyond simply dealing with the Salvadoran air force, and included activity in connection

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with the Nicaraguan Resistance Fighters?

A I think it would have had to have been--I was trying to figure that out early this morning. As I said to you all before, there is a little bit of fuzziness in knowing what one may have read later and what one knew at the time.

But, I think it must have been early in the year in '85, or at the end of ~~the year~~ '85. Maybe it's ~~better at~~ was the end of the year in '85. But at that time, any kind of--it was at the end of the year, yes, in '85--any kind of relationship with the Resistance--~~was at~~ ~~he was kind of in a sense lik~~ [redacted]

I was trying to look at that this morning early, ~~and~~ I was trying to figure that out, myself. I guess it must have been late '85, ~~or, I'm trying to figure, I think~~ [redacted]

So, in a sense, there was certainly at that time a relationship in which Fahy was ~~there were~~ talking about the FDN, ~~and so forth~~.

Q In connection with that December meeting--

A And anyway, I would say late '85.

Q In connection with that meeting in late December, who were the participants in this meeting?

A As I said, I was trying to go over some things this morning. [redacted]

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[redacted]

A I don't recall anything about that.

Q Now with regard to the southern front--

A There may have been discussions someplace else, but I don't recall there being any discussion with me about that.

Q I am just asking you about anything you can tell us.

With regard to the southern front, any activities down in the southern border or Nicaragua [redacted] or otherwise, was there any discussion in any of your meetings in late 1985 going into early 1986 with Oliver North or anyone concerning the construction of an air strip [redacted] that would serve a function for resupply [redacted]

A No. I think that certainly there may have been awareness that there was an air strip, or that sometimes supplies were ~~something was~~ coming ~~or workin~~ [redacted] but I recall no conversation about construction of an air strip.

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Q Did you at some point before it became a matter of public record, did you at some point know that there was an air strip that was being used for resupply matters [redacted]

A I think so, but I'm not certain what the answer to that is. It seems to me that I must have. I don't know when I became aware of that. ~~Because I think that I'm not really sure of the answer to that question.~~ At some point I remember seeing on videos pictures on the news of ~~people going in and taking photographs and it running on the news,~~ that air strip. ~~but I'm just not certain of that~~.

Q Describe for us your working relationship with your MIL Group Commander, Colonel Steele.

A Well, I think Colonel Steele is one of the finest military officers I have worked with. He did a tremendous job in achieving his goals and objectives in El Salvador, which were to oversee and manage the military assistance program, and the advisers that were there, and to help improve the capacity of the Salvadoran ~~air force.~~ Armed Forces.

I had tremendous respect for him! It was a close relationship. In terms of the kinds of things that you're most interested in here in this Select Committee, ~~so that~~ I asked him, as we became more aware of activities, ~~and so forth~~, that he keep me informed. ~~but that~~ I had several meetings in the Embassy in which I made very clear that we had to be within the law; and that we had a bit of a problem in that, ~~whereas~~ we also had a responsibility to know what was going on in the country. ~~and you~~ can't know everything that's going on in ~~the~~ country, but ~~we~~ know those things that might bear upon the accomplishment of ~~our~~ the mission.

~~That we~~ needed to be aware, and at the same time we could not become overly involved with ~~anyone to know what was coming off, that~~ ~~we~~ had to be very careful. And I used the words a number of times that we could not in any way be directing or administering anything that was going on, nor could ~~we~~ we provide any kind of materiel support to what was going on.

Democratic resistance resupply

to the staff

an Embassy

it must

those supporting the Democratic resistance

Q Did you ever tell Colonel Steele that you didn't want some things he would be finding out by his mere presence [redacted] to be passed on to you

A I told him that I certainly didn't want to know everything; that I wanted him to make a judgment as to what I needed to know. And this is very common in many things that you do in any ~~place~~, I assume, but certainly in the Foreign Service, ~~when~~ I didn't want a full ~~script~~ of his activities. but ~~as he related to them, that~~ [redacted] and if there was something significant I wanted to be informed of it.

That his information, in terms of in specificity

description

managerial job

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to believe UNCLASSIFIED

certainly transcended mine is certain. But, I ~~also~~ had enough confidence in him as an officer ~~what~~ to believe he would inform me of anything I needed to be informed of.

Q Was there, however, any category of information that would come his way that you specifically said you did not have a need to know and didn't want to know? Do you recall anything like that?

A If I didn't say that explicitly, I probably bordered on it. I mean, I can remember making the statement that ~~you know~~ it was essential that we know what we had to know and not know more than we needed to know.

Q Did you ever go to Washington for consultations in connection with what role you and your staff were supposed to play with regard to the humanitarian assistance program?

A I don't know as I ever went to Washington specifically or solely for that. I had several meetings in Washington. I come up for consultation a lot. The very nature of the job requires that.

And certainly while on consultation, in some meetings, ~~or in some meetings~~ particularly of the RIG, ~~I think that that question came in some meetings that were held in the Department~~ the matter was discussed.

[redacted]

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[redacted]

A Well, I am just saying that that touches, nearly it, but anything beyond that I have no knowledge of such transactions.

Q Fair enough.

A Is there some more of this coffee around here?

[Brief recess.]

Q Between December and May--between December 1985 and May 1986 there were--

A I didn't get that far in my review this morning. ✓

Q It may get a little bit fuzzier here.

[Laughter.]

Between those days, there were approximately--I'm going to start off with a factual statement, and then ask you about it--there were approximately five flights by Southern airplanes of B-707s [redacted] carrying munitions for the use of the Nicaraguan Freedom Fighters.

What awareness did you have of that specific activity?

A Of ~~the~~ Southern Air Transport flight bringing in munitions for the contras I guess until it all came out I had no real knowledge, ~~or even I~~ and I didn't even take time to speculate ~~on it~~ that Southern Air Transport was bringing in munitions. I don't believe that I knew that, anyway.

Southern Air Transport [redacted] sometimes contracted by the Department of Defense in terms of delivery of MAP items. [redacted]

(Laughter.)

Q But specifically the 707s coming [redacted] carrying classy explosives and other lethal aid [redacted] these were matters that you were not being apprised of?

A That's right.

Q You had no knowledge of those at the time?

A I feel certain I did not. I was aware of some flights [redacted] --it may show a great lacking on my part, ~~but I mean~~ I guess I never did, ~~you know~~, I didn't say, "Hey, how is all this stuff getting in here?" But I thought the stuff was coming over primarily on caribous and ~~things like that~~ and similar aid planes [redacted]

I had some prior awareness a couple of times when flights [redacted] but I did not have, to my recollection, any specific knowledge about planes bringing ~~stuff~~ war material in. It's logical that somebody had to bring it in.

Q What did you know about--you mentioned caribous. Let me ask you about caribous and C-123s, as far as these planes [redacted] in connection with Contra resupply. What awareness did you have of those particular planes, who was operating them, anything like that?

A I just knew that somebody was operating them, that it was a private group. And, I'm sure that you'll get to it on down the road. Part of the awareness ~~was, and it was made known to me,~~ was because [redacted] both directly and indirectly expressed to me his concerns about the quality of the contra resupply ~~that~~ aircraft, [redacted] and so forth, his very great preoccupation that some of these planes shouldn't even be flying ~~for~~ the types of ~~things~~ (missions) they were trying to do.

Q Let's move on down the road. At some time you became aware, is it correct, that both [redacted] and Felix Rodriguez were somewhat unhappy with some of the private resupply efforts [redacted]

A Very much so.

Q Can you put a time frame on when you became aware that Felix Rodriguez was expressing some unhappiness about it?

A You know, Felix—I'm going to try to see if I can recall the ~~putia~~ time frame. As I told you, I didn't get through all these notes. ~~things.~~ But certainly whenever it was we had the meeting that was held in Don Gregg's office, that was--what was the date on that?

Q The August 12th meeting?

A August 12, I guess it was, yes.

Leading up to that time, in the couple months before, there was a great deal of concern by [redacted] about Contra resupply operations ~~that~~ and complaints about the equipment and the personnel. There was also some concern expressed by [redacted] that, should legislation be passed and things change, that the people who were flying these aircraft, or who had these aircraft, that they not take them away from the Contras.

[redacted] he felt that, as he would put it, ~~that~~ persons of good will and generosity had provided money to purchase this equipment for the contras, and that it should remain the property of the contras.

I think at one point the man said to me, they ought to take it all and sell it, but it's theirs, and the money should be theirs, and it should go to the effort of the contras.

Q You obviously discussed this directly with [redacted]

A Yes.

Q Can you put a time frame on that discussion relative to this August 12 meeting?

A Yes, prior to.

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the August 12 meeting

Q How much prior to?

A Well, certainly say in the six weeks or the month leading up to ~~it~~. I mean, it was pretty intensely stated by [redacted] and there had been some statements independently by Felix about his concern, about some of the people who were involved in the operation.

[redacted]

So these things would be passed either by Felix or [redacted] to Steele, ~~and~~ he to me; or to Felix, and he to me. And I had lunch with [redacted] specifically to talk about these matters.

MS. JACOBSON: Excuse me.

[Ms. Jacobson confers with the witness.]

THE WITNESS: Perhaps it would be good for people To ~~who don't~~ understand fully how American Embassies are viewed in the Third World, particularly in Latin America, and I have 26 years of Foreign Service experience, all of ~~it~~ experience overseas in the Third World.

BY MR. SMILJANICH: [Resuming]

Q I would assure you I don't.

A I have often said that if the United States had all the power that it ~~was~~ so frequently alleged or perceived to have, that certainly things would work a whole lot better in the countries where I have served.

[redacted] But it there is something going on there, he turns to me, ~~for that~~.

BY MR. SMILJANICH: [Resuming]

Q You would expect him to come to you with something like that.

A Yes.

Q Okay. With regard to Felix Rodriguez prior to

wrong

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this meeting of August 12, 1986, did he discuss with you directly his concerns about some of the people, I think is the way you put it.

A I'm not certain of the date here. I'm not certain that the concerns that he expressed to me about some of the people was done ~~so~~ close to this meeting, or even if it was before the meeting. But at least on two occasions Felix expressed to me very, very grave concerns about people that he saw working in the private organization that was supplying the contras, and he was very upset on both occasions.

One ~~of them~~ had to do with a mechanic working on the aircraft who was, I guess, a mechanic of the FDN or the UNO. Felix ~~whom he~~ either knew some other way, or the mechanic bragged to someone or told ~~him~~ Felix ~~or something~~ that he had previously worked as a mechanic on drug traffickers' planes.

Felix, who is also a very strong supporter of the Democratic Resistance and very anti-Sandanista, felt that that kind of people being present in the operation could cause problems for the operation. So he was very upset about that.

He was very upset on another occasion--and you can probably tell me the name of this man, and I should be able to tell you, because it has been given to me before--but ~~he~~ Felix came to see me about another Cuban-American with whom he had worked many years ago, I don't know, 15 years or so, or something, 15 to 17 years ago. ~~and that~~ This man had a very bad reputation, and ~~that~~ this man had talked to him. Felix was very greatly offended because this man had talked about an assassination. I don't know of whom. I don't know more than that, other than that the subject had been, ~~so~~ somehow or other, to approach Felix about an assassination, and Felix had become furious and said that he was a soldier, that he was not a criminal. He was not an assassin. He didn't do those kinds of things, and he was very upset about that.

So on two different occasions I talked with Felix where he expressed concern about some people involved in the private operation, which he felt were undesirable people, or who, because of their past, could cause harm to what they were trying to achieve in support of the Democratic Resistance.

Q Did he put a name on this individual and you have forgotten it?

A He definitely put a name on ~~him~~ the person. In a conversation like that with Felix, he may have mentioned several names, so I'm not willing to say what that name was. It's a name that's been in the newspapers, but I don't know with certainty.

Q Based on--

A And I'm not willing to give the name, because I don't want to name somebody of having ~~done that~~ discussed an assassination unless I am absolutely certain that that was the person. It's not because I'm trying to obscure anything.

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Q I understand. But does the name Rafael Quintero, or Chi Chi Quintero, mean anything? Can you associate that with the Cuban-American he was talking about?

A I can, but I do not want to do it 100 percent.

Q I understand.

A I mean, I just don't want to because I'm not absolutely certain; but I think that probably was the name.

Q Okay, that's fair. I understand what you're saying.

A But I would not want to point the finger at somebody for having done something as despicable as that, unless I was absolutely certain.

Q And I'm not asking you to, or suggesting that that's what you're doing.

A But I think that was the name.

Q Did Felix Rodriguez ever talk to you about any of the other people that this Cuban-American associated with?

A In that conversation we had, he did. He mentioned several other names. And on this, I can tell you very surely, my mind is, I do not remember those names. That was not a meeting after which I jotted some things down, and I cannot tell you what those other names were. But he mentioned several people in connection with his concerns. He was very upset about several people, and ~~this~~ the one who raised assassination was the prime example.

Q Okay. Did you take any notes of these conversations you had with Felix?

A Not--no. I don't think I ever made any notes of conversations with Felix. I'm almost sure I didn't. I may have mentioned him in a note sometime, but not based on any conversation between the two of us.

Q Now I want you to--on the one hand, I don't want you to guess; on the other hand, it doesn't need to be engraved in stone, either--can you put your best estimate of when it was that Felix brought his concerns to you, or at least mentioned to you these people that he had a concern about? Can you put any kind of a time frame on it? Any relation to this August 1986 meeting where this was brought up?

A I honestly can't. I know there were two different times in which he talked about people, and I'm ~~sure that I feel~~ confident that the one on the mechanic was before. I really cannot tell you whether the other was before or after, but believe it was before. I'm sorry, I just can't. And I don't know anything that I could look at that would jog my memory on that.

Q Can you tell us, for example, that it wasn't months before the August meeting?

A It wasn't months before, that's for certain. My recollection of it is, you know, I got there in August, 1985. ~~Really, things were really--of '85 and~~ Several months went

the August 18 meeting

by. It was late '85, moving into November, that period, before--November-December really before this kind of thing. Then all of a sudden, there seemed to be some movement that I was aware of.

So, I mean there was kind of a non-active period there. Because when I first came in, you know, I had this conversation with Tom Pickering in which Felix had been mentioned, and one reason I didn't pay him any attention is because I was busy. I didn't have any reason to go "pal-around" with Felix. I had other things to do.

But then as I became aware of some things, ~~then~~ it became important to use Felix--not to "use" him in a bad sense, but as a source of information to the degree that it was necessary.

Q What privileges did Felix Rodriguez have in and about the Embassy or its facilities in El Salvador?

A Felix had several privileges. There was a point at which Felix was threatened, or we felt that he was in danger, and I would remind you that we have had a number of Americans who work for the U.S. Government, or are associated with the Embassy, who have been killed in El Salvador,

Felix was given a radio at one point so that if in going from the airport to where he was lodged or some~~thing~~ else if he had a problem, ~~and~~ At times I guess he didn't have a telephone; I'm not certain whether he did or not. But, anyway, we gave him a radio at one point, and Colonel Steele told me about that, because of his personal safety.

Rosalien,

he could communicate with the Embassy security forces

[redacted]

There was a brief period where he was given a vehicle that was an armored vehicle. No one has asked me about this one. ~~but~~ There was a period of time in which ~~this~~ a vehicle was up for sale ~~to be sold~~ as excess property. During the period while it was waiting to be sold, he was given that vehicle to drive, because we were concerned about the guerrillas trying to kill him, because they knew that he had done a very effective job against them

He also had a commissary pass, to come in and out of the Embassy and to use the commissary. To my knowledge,

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Those who want to be considered important want to have a

that is the extent of anything that he had.

[redacted]

Jalif

although

poor neighborhood

~~But not~~ to overdo it, but to make a point; ~~so that~~ if we had an American nun working in a ~~Per Vedea~~, and she was threatened, we would give her a radio, too, ~~because We~~ have a responsibility to American citizens, ~~and~~ there is certainly some limit to what the taxpayer bears in ~~there~~. But we have the responsibility to try to protect American citizens overseas, no matter who they are.

this area.

Q I won't ask you the question that Tom ~~Pelgar~~ asked you in El Salvador when you brought up that example.

Polgar

Off the record.

[Discussion off the record.]

BY MR. SMILJANICH: [Resuming]

Q Now leading up to this meeting in Don Gregg's office, and the date of it was August 12, 1986, first of all tell us what you can recall about how you first heard about the meeting, whether you called the meeting, whether you were--tell us how you happened to be in Washington at that meeting.

A Well, I repeat again -- you know, it's kind of the single-factor fallacy of causation of Mr. Huxley -- ~~but~~ I never come to Washington for a single purpose. I have all kinds of things going on.

I talked about that meeting before I came. I had a conversation with Jim Michael on the telephone. I expressed some of the concerns. I had actually called, I think, to talk to either Bill Walker or Elliot, and, as is not unusual, they were out doing something else, and I talked with Jim. ~~and~~ I told him about some of the concerns ~~that I had that~~ derived from ~~these~~ expressions of worry by [redacted] and Felix, ~~either directl~~[redacted] ~~and then directly by Felix from~~ [redacted] about the equipment, about the personnel, concerns that too much money might have been paid for some of the equipment; ~~--Just an expression~~ that ~~they weren't~~ getting ~~their~~ full value ~~of~~ from what people contributed ~~to it~~ for its support.

Also, some concern about what was going to happen

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to that equipment as ~~that~~ the private program closed down and legislation might allow a U.S. Government program in support of the contras.

Now I don't know whether I caused the meeting to be called, but I said that that was one of the things that I was going to want to discuss when I came up on consultations.

Then the meeting was held, either called by or held in, Don Gregg's office.

Q Okay, so--

A There may have been other things that were causing that meeting to be held.

Q But let me see if I understand. First of all, you were not "called" to Washington to attend this meeting?

A No, I was coming to Washington to discuss a number of things, and that was one of the things I was coming to Washington for.

Q Secondly, you didn't, as far as you could tell, this meeting wasn't held because you said, "I want to have a meeting with Don Gregg, and I want to discuss these concerns with [redacted] and Felix Rodriguez"? Is that your best recollection?

A My best recollection is that I wanted to have a meeting with the RIG, which ~~that~~ was kind of the forum for that, and it turned out the meeting was held in Don's office.

I've got a gap there as to, you know, as to why the meeting took place there.

Also, part of that meeting was, I guess, about Felix himself as a person. ~~and~~ In some ways, although the time sequence isn't quite right here, ~~but~~ there was always a great deal of concern by certain people in the CIA about Felix. I mean, nobody working in intelligence wants some ~~kind of~~ guy out there who ~~seems to be~~ doing things that might be similar to what they normally do that aren't under their control, ~~that don't work for them and things like that~~.

normally

I don't remember exactly, but I remember one of the things I intended to do and did do at the meeting which ~~I say that~~ took place in Don Gregg's office, ~~but~~ was to speak well of Felix. but I was going to express ~~these~~ the concerns of [redacted] ~~so I~~ also put in a plug for Felix, because I ~~kind of did~~ a 180 on Felix.

When I first got down there, I was very wary of Felix and, rightly or wrongly, he gained my confidence and admiration.

Q I'm not suggesting it is wrongly.

A No, but I'm just saying that. I'll be very clear on that, and that's where I still am with Felix, unless somebody shows me something that would change that view.

Q Right. Did you in any way tell, or try to imply to either Jim Michael or anyone else at the Interamerican Affairs Bureau, that in fact you didn't really know Felix Rodriguez and you wanted to find out more about him, and who

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in the first few months after my arrival, Felix

to El Salvador.

he was, and what he was up to?

I might have if

A Not at that time; not at all. ~~If~~ we go way back to when I first got ~~there, and this would be you know,~~ ~~kind of~~ the watershed ~~on what~~ was the November telephone conversation with Don Gregg. ~~which up to that time~~ Felix has an ~~real~~ ego. You know, ~~he~~ probably felt that he wasn't getting his due ~~or something, but~~ I just didn't have time for it during that period.

from me in terms of recognition for what he had achieved in El Salvador.

First of all, Felix ~~it~~ was not on my staff ~~some guy who was~~ [redacted] he wasn't mine, maybe a little bit of the attitud ~~describing~~ here earlier, and I really wasn't all that keen on the idea ~~that~~ somebody ~~was~~ down there doing things. Ambassadors get nervous when things are not under their control ~~and they~~ that can affect their bilateral relationship, and that means they are nervous a lot of the time, because ~~most of them~~ you cannot control many things.

(what Felix was doing was a question) with El Salvadoran from the military area that I did not control

I'm guilty

[redacted]

But by that time, I do not think ~~that was~~--it would have had to have been an earlier conversation. ~~if I might express that.~~

Q Now Felix--

A In fact, by that time, ~~as I say, and~~ as I said here earlier, I was a ~~little bit of a~~ defender of Felix rather than someone who was placing questions about him, by that time; whereas earlier, I had been a questioner.

MS. JACOBSON: Did you want to take a break?

THE WITNESS: No, unless you think I should take it.

MS. JACOBSON: No.

MR. SMILJANICH: We are not going to be here all day or anything.

BY MR. SMILJANICH: [Resuming]

Q Was there any--oh, I know what I wanted to ask. Certainly Felix was proud of the fact that he knew Don Gregg and had a connection with the Vice President's office. He made no secret about that. Isn't that correct?

A And he was proud of the fact that he knew me.

Q Right. Were you concerned at all, leading up to this meeting, about anything Felix was telling people in El Salvador about his connections with the Vice President's office?

A Well, I don't think so, because I didn't have any reason--I mean, certainly to my knowledge, or my knowledge now, the Vice President's office wasn't doing something it shouldn't be doing.

I think, and I wouldn't like for Felix to read this later or something, but I mean what I'm saying here is that Felix is a person who liked to mention other people's names. It's a very common trait among all peoples. [redacted]

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I wanted with Felix

So there were times when, you know--and I repeat, I like Felix--but there were times when maybe I would just have soon his having told Jim Steele something, and then Jim Ron told ~~tell~~ me very briefly, but that I knew in order to maintain the kind of relationship ~~Felix would say he wanted to come and see me, and~~ I would let him come ~~and~~ see ~~me.~~ I also knew ~~that was~~ partly because then he could say to [redacted] I was talking with the Ambassador." That's a game that people play.

But I did not have any concern--I mean, it was something that I was aware of, and something that I do not think is the greatest human attribute; to go around speaking about powerful people and associate yourself with them, but it was not a worrisome thing, other than that.

Q William Walker attended this meeting with you. Is that correct?

A Yes.

Q How did his participation come up?

A As I recall, Bill was pretty silent throughout the whole meeting.

Q My question is, how did he come to be a person to attend the meeting? Did you ask him to come?

A I may have asked him to come. As I recall that meeting, it was kind of like the RIG meeting ~~where the~~ made up of people who had met previously ~~which usually were made up of people who~~ talk about Central America in general, not necessarily just the contras. ~~but~~ There would be somebody from the Agency, normally [redacted] There would be somebody from the NSC, and that would normally be Ollie, or sometimes it would be Earl. Sometimes it would be Ray Burghardt who would participate, and sometimes not. It would be somebody coming over from the DoD. It was the RIG. I'm sure they've got a list of who the members are.

Q Okay. When you went to this meeting of August 12, 1986, first of all was it in Mr. Gregg's office?

A Yes.

Q Whom do you recall specifically being present at the meeting?

A Well, I was trying to work on that. I was trying to figure that out again this morning. I think who was ~~present--I wrote that~~ It was down here--was Burghardt, Earl, Walker, Corr, Watson, Gregg, Gregg, Walker, [redacted] Earl, Burghardt, Watson, Steele, and me. I think that is who was at the meeting.

Q Okay. Had you--

A I know there was a room-full.

Q Had you talked with Colonel North prior, in your trip to Washington prior to this meeting?

A I'm not certain. I talked with Ollie several times. When I came up, I usually saw Ollie. I either saw him separately or in this RIG group, or sometimes both. And I really do not know whether I talked with him before or after, but I am almost certain I talked with him on that trip.

Q I guess my question is, he wasn't--

A You know, wait a minute. Excuse me. I may not have talked with him, because I think Earl attended that meeting because Ollie was not there.

Q Okay.

A So I'm not certain. But normally when I have come up on consultations, until this whole thing became a public issue, I would see Ollie, either over in his office or as part of a meeting, or both in his office and as part of a larger meeting. But that time I may not have, because the very fact that Earl attended that meeting; ~~he~~ Ollie may have been out of the country.

Q But you don't have a specific recollection of discussing the topic of this meeting, or the meeting itself with North prior to the meeting? I understand you're not saying you didn't have one, I'm just asking if you--

A No, no. I don't, but it would not--certainly it would be natural that I would have talked with him about it, about [redacted] being concerned.

Q Now at the meeting, what was the purpose of the meeting?

A Well, the purpose of the meeting was just kind of to get some things out on the table. I suppose part of the purpose of the meeting was ~~that, like for instance that~~ [redacted] ~~was there.~~ to express in that meeting the concerns of [redacted] that this equipment not be lost to the contra cause, or at least the money from the equipment (that he didn't consider to be adequate) not be lost to the contra cause, and some real concern about those private organizations that were using that equipment. From my point of view, that was part of ~~so~~ the purpose of the meeting

for people like [redacted] who were present in

the sale of the equipment

Another one was to put in a bit of a plug for Felix. In that respect, I knew that that in the Agency, at least if you go back to, say [redacted], there were people in the Agency that weren't all that enchanted with Felix. ~~Kind of~~ My view at the time was that he could continue to be very useful; ~~that~~ He had not been on our payroll; he had not been under our instructions or anything; but ~~that~~ [redacted] and I saw that as useful.

Q Did you have the impression, though, that the purpose of the meeting was to flow information to Don Gregg, or for Don Gregg to flow information to you all?

A I would say it was more of a meeting for people to exchange information, for Don to listen to it, and I didn't feel information going from me only to Don.

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Q Do you have any recollection of Don Gregg saying in any way that he had just met with Felix Rodriguez in the past several days?

A I don't recall that, but it wouldn't surprise me, because Felix went to Washington on two or three occasions that I was aware of.

Q But did Don Gregg, do you recall him contributing information to the group discussion that he got from Felix, or basically receiving this information from you all?

A I think he may have talked with--I just don't know that. I don't know the answer to that. ~~I don't know the answer to that~~.

Q Okay. Had anything just occurred within the past several weeks in El Salvador that may have prompted this meeting? Any event or incident?

A I don't think so. I don't think so, other than expressions of concern by [redacted] that I had conveyed to the ARA front office.

Q Were you aware that [redacted]--that Felix Rodriguez--let me back up. Were you aware that just prior to this meeting, within the past couple of weeks, Felix Rodriguez had been threatened with air piracy charges by anybody?

A Yes. I mean, I had not been ~~if that--I'm not~~ making that chronological connection. I may be making it now. There was an incident in which Felix had been in Miami, or had been in Florida, I'm not certain where in Florida; I think it was Miami. And there had been some kind of a brouhaha over, I guess, an aircraft ~~with I don't know what aborted for the contras;~~ that Felix had flown that aircraft, or had been a passenger on that aircraft [redacted] that the people up there had been very unhappy [redacted]

Felix flying
the plane and
aircraft [redacted]
delivery to the
Nicaraguan southern
[illegible]

[redacted] That, I know occurred.

[redacted]

Q Well, let me ask you this: Do you recall that Felix Rodriguez had been threatened by some people with air piracy because of this flight.

A Yes.

Q But then [redacted] came to his rescue--

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A --defense, very much so.

Q --by impounding the aircraft and not letting it leave[redacted]

A Very much so, yes. I remember that.

Q Do you remember who was on the other side of this controversy?

A The private group.

Q But you couldn't associate any name with that group?

A No, I cannot; although I am sure some people can, but I can't.

Q Do you know whether or not--and I am not asking you to guess--but do you know whether or not that incident had any connection with this meeting on August 12, 1986?

A I don't believe so, other than to reinforce the views [redacted] that these people weren't people that he liked doing business with, and it may have intensified his complaints about the quality of aircraft, the quality of directional gear, the prices paid, some of the people involved.

Q Can you say for certain whether or not that particular incident occurred before or after this meeting?

A I can't, but it should be easy enough to ascertain.

Q I'm just wondering if you can put it in a time frame.

A No, I can't. I cannot. I mean, if you'll go back to where we were talking earlier, when you asked me about that, you were going to put it before the meeting, not me.

Q I understand.

A No, I cannot.

Q That's what I was trying to get back and make sure I hadn't put that into your mind.

A I cannot put it in chronological order.

Q Okay.

A I might add on that, there were a number of aircraft incidents. That was just one.

Q We'll touch on a few of those as we go through this. Do you recall whether or not at this particular meeting during that time frame Felix Rodriguez was threatening to, or in fact said he was going to leave this private operation all together, private resupply operation?

A Well, I'd have to really kind of define what you're saying. ~~there~~ There were points in which Felix was kind of volatile and points when he'd get very upset and he was very discouraged, but I don't think it's quite correct, in terms of my perception, to say that he was going to leave this private organization.

Because, I repeat, I did not see Felix--and he may have been--but I did not see Felix as a member of this private organization. [redacted]

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from

of

group,

Felix and the organization,

[redacted]

~~and~~ It may be that he had some people who may have kind of supported him, but not ~~part of~~ this organization. They could have been part and parcel the same, but I always saw him as kind of vis-a-vis the organization.

So, I don't think it's correct to say he was going to leave the organization; but it might be, you know, ~~that~~ this thing is so screwed up, I'm just going to--

Q Let me reframe the question. I don't mean to imply that he was a member of an organization that he wanted to leave.

A Okay, I just wanted to be clear on that, as far as my perception of it.

Q Let me ask it in terms of disassociating himself from any connection, or involvement, or activity with this private resupply group of people that he obviously had some interaction with, whether he was a part of it or not.

A I think both he and [redacted] were in that mode, of separating themselves from this private resupply organization.

Q Okay. In terms of a time frame, though, can you tell us when it was that Felix ever indicated, or you had any information that Felix wanted to disassociate himself from any involvement with these people?

A Well, I'm sorry about not being able to be precise on the time frame. ~~Like~~ when he came to talk with me about the time that the fellow had made the approach to him, and assassination was mentioned, ~~he~~ was like "I don't want anything to do with these people." When he talked to me about the mechanic, ~~less strongly than that other time, and~~ certainly during the period when [redacted] and he both were expressing concerns about the quality of the equipment, what was going to happen to the equipment ~~after it was no longer of~~ whether ~~they were~~ going to take this stuff off to Southeast Asia ~~when they~~ felt it had been contributed for the Contras ~~something~~. And all those times, Felix ~~at times~~ was down and would feel like just throwing in the towel ~~or something~~.

Q Had you ever had, prior to this August 12 meeting in 1986, had you ever had any other meeting with Don Gregg, or where Don Gregg was present, in which Felix Rodriguez and his happiness or unhappiness was discussed?

A I talked with Gregg on the telephone at least one time about Felix's unhappiness, and that must have been prior to this meeting. Because one of the points I was making at the meeting--I've said several times--is that Felix was an okay guy.

Q Beyond a telephone conversation, though, in an actual face-to-face meeting?

A I don't believe so.

Q Have you ever discussed that topic with the Vice President himself?

though he was not as absolute as when he told me about the approach to him on assassination

Also,

There were several occasions, for example,

his attitude

Felix expressed doubts about association with the private organization

the private supply organization was

Felix and

[redacted]

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to see the Vice President while Felix was meeting with him.

A No, absolutely not.

Q How many meetings have you attended directly with the Vice President?

A The one meeting, which certainly to this Committee might be of interest, was when I went down. I was over to see Ollie, and the Vice President at that time had in his office Felix Rodriguez, ~~and~~ I more or less just walked into ~~the~~ Ollie's office, and Ollie said, "Hey, you want to go see the Vice President?" And I said, "sure."

And he said, "Felix is down there; why don't we just walk in and say, hi?" And I said, "Okay, I'll tell the president what--you know, I'll put in a word for Felix." I want into the office. It was what I call a "stand-up" meeting." I got to the office. Felix was seated on a couch. There were several people in there. There was a lot of motion going on, staffers coming in and out, and it was very obvious to me, having been in a lot of meetings like this, that the Vice President had people stacked up outside and needed to get Felix out of the office.

Felix was showing him his pictures; ~~which~~ Felix always had pictures. So I helped get Felix out of the office, so to speak. I said, "Mr. Vice President, I just want to tell you that I am Ed Corr, I am the Ambassador down in El Salvador. This guy Felix is down there. I want to tell you he has done a great job in helping the Salvadoran forces to be able to fight the Salvadoran guerrillas." That was about it. Then I left, and we all moved out. That was one meeting.

The other meeting I had with the Vice President was when President Duarte came up, and he was present in a meeting with President Reagan, and it was a big meeting, and the meeting was really a Duarte-Reagan meeting, and we were both there.

And, I think I met with the Vice President when I was way back--no, I met with his--I may have gotten in to see the Vice President briefly on drugs when I was Ambassador in Bolivia. I think that is the limit of my meetings with the Vice President.

Q Let me go to that one meeting you described where Felix Rodriguez was there. If I understand what you're saying, it sounds as though, by coincidence, you happened to be in Ollie's office, and by coincidence the Vice President happened to be in with Felix--

A That's right.

Q --and Ollie said, hey, you want to go see the Vice President? Felix is in with him?

A That's right.

Q This was all basically, as far as you could tell, a fortuitous circumstance?

A Absolutely. Absolutely. I mean, it was a great

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surprise to me: one, that Felix ~~he~~ was there; and two, ~~did~~ Ollie asking of I wanted to step ~~in and~~ into the Vice President's Office to say, hi. I ~~also~~ too was being kind of critical perhaps of Felix earlier about people who kind of like to be around the powerful. I thought it would be neat to go up and see the Vice President, myself.

Q But Ollie didn't have an appointment to see the Vice President?

A No.

Q And you didn't know Felix was meeting with him at the time?

A No. I may have known Felix--I probably knew that Felix had gone up to Miami or Washington, but I did not know ~~that~~ he was meeting with the Vice President; I did not know it at all. I walked into the office, and Ollie called down to, I suppose, the Vice President's secretary or something, and we walked in and walked out.

Q Did Oliver North tell you why Felix was meeting with the Vice President?

A No. He was showing him his pictures.

Q Well, do you have any recollection of the fact, whether or not Felix was meeting with the Vice President for one purpose to tell him that he was going to be leaving El Salvador, he was not happy with the way things were going down there, and North asking you to go and put in a good word and see if the Vice President could talk him out of that?

A No, I don't have a recollection of that. I certainly have a recollection of going down, you know, and praising Felix, but I certainly have no recollection of being like put up to that.

Q Did you and Colonel North discuss in any way, shape, form or fashion any involvement that Felix Rodriguez had with the people connected with the private resupply of the contras?

A Yes, I think so.

Q First of all, that was a general question. Specifically, in connection with this time you went in with Ollie when the Vice President was there, did you and Oliver North discuss that topic prior to going in to see the Vice President?

A I don't recall that, but it would not be strange for us to talk about Felix. ~~A it certainly wouldn't be out of we'd talk about~~--First of all, you know, I was a Marine Corps officer. Ollie was a Marine. I liked Ollie. He was fun to be around. I said in earlier interviews on this matter, ~~in some ways I kind of saw him~~, and this is not to deprecate him, but I saw him as kind of like a cheerleader, the guy who was keeping everybody's morale and hopes high for the country's success in keeping a Marxist-Leninist regime from consolidating in Nicaragua. You know, "just hang in here, and we're going to get the legislation, and we'll get into a new ballgame."

I would go in and see Ollie and shoot the breeze. We'd talk about Contadora; we'd talk about the war in Salvador, and we'd talk about ~~what~~ Felix; we'd certainly

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mention Felix. These were all things that were discussed. But I cannot make a link between my going into the Vice President's office and any conversation I might have had before it. I can't see any connection. I can't say there wasn't such a conversation, but certainly it had no significance to me.

Q And you don't recall telling the Vice President words to the effect, Mr. Vice President, I hope you can convince Mr. Rodriguez not to leave us in El Salvador, he is doing good work down there?

A I don't recall that. What I remember is going in, putting in a plug for Felix, and going out. Maybe being in the office three minutes.

Q Did Felix Rodriguez leave with you all?

A Kind of after. We came out, and it was really kind of a motion ~~of~~ to get~~ting~~ people out of the office so the next people could come in.

Q I don't know if I've asked this, but can you put a time frame on that meeting with the Vice President?

A I should be able to go and look at when I was up for consultations that time. I got a telephone call at some point to my public affairs officer from Leslie Stahl where I think she put a time on it in May, and I, just actually this morning, because I was trying to go through some notes, saw that. But that was like--I haven't verified that, but at least I have a note where my PAO called me and said that he had gotten a telephone call from Leslie Stahl who wanted to ask about two meetings: one, the meeting in Don Gregg's office; and the other when I supposedly had met with the Vice President with Felix Rodriguez in May.

Now I had written that down, but I didn't verify that it was May.

Q Could it have been May 1986?

A It could have been, yes. We should be able to find that out, I suppose. You should find it out someplace.

Q I think her information is accurate. I think it was in May.

A Okay.

Q Let me go back to the August 12--no, let me stay with that earlier meeting in the Vice President's office itself.

A The May meeting?

Q The May meeting, right.

Were you aware as early as May of 1986 that Felix Rodriguez was already unhappy with these groups of people that he later talked to you about?

A I think so. I mean, Felix was usually happy or unhappy about something, and it focused on those groups, and he was usually unhappy about them. I don't ~~recall~~ know where you are going.

Q Well, where I'm going is this. If we look at a time line of when you first would have known Felix Rodriguez when you arrived in El Salvador in late summer of 1985, all the way through the August 12 meeting of August 1986 when you certainly were aware that Felix was very unhappy, and [redacted] was unhappy with some of these people, I'm trying to put where on this time line you would have first become aware that Felix Rodriguez did not like some of these people.

A Well, I think he didn't like some of those people almost from the time that they got there. I mean, I don't ever remember his being effusive in praise for "those people."

He was always kind of suspicious of them. He was always kind of, "these guys aren't doing it as well as it should be done; some of these people aren't very good people; this equipment isn't very good." I mean, that was a constant theme, I would say, from the time of humanitarian assistance on. ✓ ✓

MS. JACOBSON: I think we should take a five-minute break.

MR. SMILJANICH: Okay.

[Whereupon, a brief recess was taken.]

MR. SMILJANICH: We're back on the record.

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EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE
BY MS. DORNAN:

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[redacted]

Q With respect to Steele, did you have any sense of Steele's relations with Galvin? Did Galvin know everything he was doing?

A Jack was always concerned, and he counseled Steele. ~~and~~ He and I talked about it; there were a number of times when I, ~~To~~ my staff, ~~to the people~~, to a very small number of people on the staff-- ~~enjoined what~~ enjoined that we had to ~~down~~ be within the terms of the law. And General Galvin also was very uneasy that Colonel Steele -- as a military officer, who worked for me but, nevertheless, had a relationship to SOUTHCOM -- not get further involved or over-extended in these relationships that were inevitable, as these people were there on the base.

private supply organization

Q That he not become over-extended in the nonmilitary type things, you mean?

A Right. That he not do anything that would be against the law. Jack made that clear. I made that clear. And Steele was very aware of it. Steele was not unaware of that.

Q Was Galvin a problem, as far as turf, as far as you were concerned?

A When I first arrived in Salvador, there was a certain sense in which turf was a problem. And it wouldn't ~~make~~ have made any difference whether it was Galvin or someone else. We have a cardinal principle in our system of government of civilian dominance over military, and I have a mandate as Ambassador to make certain that all U.S. Government agencies and employees in El Salvador work together and report to me as one coherent program.

Now there are some places where if you have troops that are under a military command, or an exception has been made, then those aren't the ground rules; but in El Salvador, those are the ground rules.

And it is always kind of necessary as the Chief of Mission when you first arrive--that doesn't mean with a sledgehammer or anything--~~but~~ to establish clearly that you are going to be in charge.

So I went through that little period with Jack, and he is a professional also, and that was established. And I personally think that Jack Galvin is the best ~~thing south~~ CINCSOUTH that I've seen in 25 years of working in Latin America. But we went through our initial period of shakedown.

[redacted]

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[redacted]

Did you feel he always conducted himself pretty well?

A To my knowledge, he did.

I think the guidance certainly was to limit the contacts. I think there's a little bit of a distinction that needs to be drawn here. I mean, two Americans, I don't care

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whether they're Republicans or Democrats or what they are, if you work in the same hanger together, or you go up to the same cafeteria to have coffee, ~~together,~~ the real thing that you limit is what you deal with.

But I mean, I didn't instruct people, you know, don't share a cup of coffee with some other American who is there, or something like that. ~~I mean,~~ The instructions were ~~you know,~~ you can watch and see what's going on. You cannot in any way be directing, administering, or providing any kind of material support.

But, you know, if they wanted to go off and play racket ball together, or something like that, they weren't limited. It might not be too wise to do it, ~~you know,~~ but nevertheless there is an essential distinction I think that has to be made here.

MS. DORNAN: Do you want to take over?

MR. SMILJANICH: Thank you.

EXAMINATION ON BEHALF OF THE SENATE COMMITTEE--Resumed

BY MR. SMILJANICH: [Resuming]

Q Let me go back and finish up with this August 12, 1986, meeting in Don Gregg's office. You told us about Felix Rodriguez's concerns about some of the people involved. You specifically mentioned a mechanic who had allegedly once worked on drug planes.

A According to Felix.

Q According to Felix. You also mentioned, according to Felix, a Cuban-American that he used to know 15-or-so years ago that had once approached him about an assassination.

A Had talked to him about it.

Q Right. Were--

A The implication of that, and it may have been explicit, not implied, was this guy had come to him to talk about carrying out an assassination. ~~You know, he~~ Felix was highly incensed, and he didn't like that at all.

Q Was that topic discussed in Don Gregg's office? By "that topic," I mean this concern about this particular individual.

A No--I don't believe so. ~~But, I mean, generally there was I mean,~~ Here were the things that I expressed concern over, ~~in that office,~~ and these were concerns of [redacted] [redacted] that I expressed in that meeting:

[redacted]

first, That these private people who had been running the~~se~~ supply effort~~s~~ might just take the materiel that they had, which ~~[illegible]~~ felt had been supplied for the Democratic Resistance, ~~and take it~~ off someplace else instead of leaving it with the Democratic Resistance.

[Ms. Jacobson confers with the witness.]

THE WITNESS: And, secondly, ~~was~~ concerns of [redacted] [redacted] about the quality of the equipment and personnel.

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And mentioned in that meeting--and I understand you were asking me about it earlier, and I wrote this down even this morning--~~discussed in that meeting~~ also was Felix's taking of the C-123 plane of materiel from Miami [redacted]. These are from my notes that I had.

And, fourth, was the belief that the Southern Front needed supplies. And, ~~additionally, that is~~ I praised Felix's useful role there in kind of serving as a liaison. Those are the things ~~where~~ I raised in the August 12 meeting.

finally,

Excuse me a second.

[The witness confers with Ms. Jacobson.]

THE WITNESS: I would say one thing. That is that in [redacted] and Felix's ~~kind of~~ references to "they," this mysterious "they" we keep talking about, the [redacted] or the [redacted] ~~maybe the word is "group"~~--was mentioned. I mean, in terms of identifying "these people" who might take this materiel and take it someplace else, or whom ~~we~~ felt might have purchased equipment that was not as good ~~a way~~ as ~~we~~ felt it should have been, there ~~was~~ were at least several references made to ~~them~~ the [redacted] or something like that.

they

they

BY MR. SMILJANICH: [Resuming]

Q By whom?

A I think ~~my~~--certainly as I was trying to ~~do~~ recall this, the knowledge ~~"knowledge"~~ had to have come either from Felix or from [redacted] in those conversations that we had. ~~because~~ I had lunch with [redacted] and so forth to discuss ~~and~~ before I came up to Washington. ~~and that was the way~~ these things that I have just told you that I expressed, came out of the ~~meetings~~ that I had with [redacted] at lunch.

with respect to

concerns about the private supply effort for the [illegible] [illegible]

in the August 12 meeting

conversation

My recollection is that ~~these~~ "they" or "these people" who might take this equipment, or ~~something, or these people who~~ might have bought this equipment, there was an association [redacted] suggested by Felix or [redacted]

Q Well, you have gone through the items that you have enumerated here of things that you specifically recall being discussed at the meeting. Not included in that list, I don't think, is a discussion about the personnel themselves, this group of people down there.

The question is whether or not you can tell me whether that was discussed or not.

A I cannot tell you that that was discussed, other than in general terms of uneasiness about the personnel.

Q Would you, if you can, go back to your knowledge back in August 1986, were you aware just from general newspapers, reports, or any source of information about a rather infamous case in the early '80s in the United States involving a man by the name of Edwin Wilson and Frank Turpel, and the provision of military equipment to Khadafi?

A I made no linkage at all ~~of~~ to those people until

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after everybody else started Talking about ~~these~~ them in the newspapers. If I go back to August, there was no linkage.

Q I'm not asking that at this point. I'm just tryng to find out whether back then, if somebody had said, not that they're connected with this group, I'm not asking that, but if in August of 1986, if somebody would have said, oh, you remember that Wilson-Turpel thing involving Khadafi and Libya, is that something you would have said I've never heard of that? Or did you know about it?

A No, I would have said, hey, yeah, that was in the news or something. But beyond that, and even today, right now as I'm sitting at this table, I couldn't tell you in detail, or even generally. I just know that there was a problem there and this guy was doing things.

Q Here's the ultimate question. It's not--I assume it isn't often that you meet with the National Security Adviser to the Vice President. It's not something you do on a regular basis. Is that a fair statement?

A That's right.

Q If you had been present at a meeting with the National Security Adviser to the Vice President in which the National Security Adviser stated that there are a group of people involved in this contra resupply effort who are mixed up with the Wilson-Turpel gang, or the Wilson-Turpel group, and General Secord who used to be on the periphery of that matter is also involved with this private resupply, and we are very concerned about it, it seems to me, having said all that, it seems to me that that's not the kind of statements that you could now say, well, I don't remember whether that was said or not. You would either know it, or not know if that was said.

Can you tell me now that if that had been said, you would remember that having been said?

A I can't tell you that absolutely. No. I cannot tell you that absolutely. But I don't believe that was ever said. I feel pretty confident that that was never said in my presence, because of the reasons you're setting forth, that I would remember them. But I would not say that categorically.

Q Well, if it makes you any more comfortable, or if it helps at all, you're not the only one. I'm not suggesting that everyone there, Ambassador, remembers this, and you're the only one who doesn't. There were other people there--

A Are you talking about the August meeting?

Q I'm talking about the August meeting.

A Well, I can tell you I definitely do not remember a discussion of Wilson and Secord, if it happened. I can't deny that it didn't happen, but I do not remember it. I can say that categorically. I cannot at this point recall in my mind a discussion about that in that meeting.

Q Fair enough. Okay.

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A And maybe everybody else there does, but I don't, and I can't say that I did if I don't.

Q Okay. Now you, when you talked about concerns about the equipment, you had mentioned earlier something being said about too much money being paid for the equipment.

A Yes, that was one of ~~them~~ the concerns

Q Tell me what you can recall about that.

A I can't tell you much more about that, because it was just that statement. You know, too much money was being paid for this equipment. Evidently Felix ~~f[illegible]~~ knew somehow what had been paid for the equipment, and ~~it~~ (he felt the equipment) wasn't worth ~~anything~~ the price.

Q But you had no idea who he was talking about that was paying for--that was selling this equipment, as opposed to paying for it?

A No.

Q Was he talking about the contras paying for the equipment?

A No. ~~I mean, one of the things that,~~ At least from where I sat, things that ~~came, or~~ may have gone through [redacted] ~~it was something that~~ had been consummated and transacted elsewhere. And at ~~the~~ [redacted] or at [redacted] end, you ~~are~~ were really down to materiel only.

were these whose purchase?

I mean, if a plane came in there, there wasn't somebody [redacted] so far as I know, or knew, who was making a deal on that plane. All of a sudden, you know, somebody says there's a caribou there that's arrived. But ~~that~~ payment for salaries wasn't happening [redacted] I don't believe at all.

[redacted] it was materiel.

I remember concentrating on that very much in the initial questions that came down for us to answer in writing, the stress in the language and the cables was on funding, on funding. [redacted] it was boots.

Q You stated earlier that one of the matters brought up was something to the effect that the people might take this equipment away from the contras now that this legislation, the $100 million aid to the contras had been passed. Can you elaborate on that at all? Do you recall anything more being said about that?

A No, not any more than that. [redacted] had reason to believe, ~~then~~, I guess based on his own conversations with these private groups, or someone representing him with the private groups, that these people might go off and go into business elsewhere ~~or something~~ with this equipment, and that it would not end up in the hands of the contras.

It was his continuous concern that the contra cause be enhanced.

Q Do you recall any discussion that whoever these people were who had this equipment wanted the Agency or the

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CIA to purchase this equipment with the new aid?

A Yes, I remember that was part of the ~~thing~~ discussion, yes.

Q [redacted] was present at the meeting. Do you recall what he said about that topic?

A I don't recall what he said, but if he said anything I know what he said. And that was "no." I can't tell you, Ron, I know his position--either from talking with him, at that meeting or elsewhere, ~~or something, was~~ He felt that you needed to start with a clean slate and not get involved in something like ~~that.~~ the existing private supply effort.

Whether he said that at the meeting, I cannot be, again, certain.

Q Okay. Do you recall anything being said at this meeting about these people, whoever they were, wanting to be absorbed back into the CIA and become a part of the CIA again?

A Well, whether absorption of all persons and equipment, or some persons and some equipment, or nothing into a CIA managed operation, if and when such USG participation became legal, was a question ~~or different levels as you're talking about in the Agency, you're talking about almost any entity in the government, but~~ Yes, that was part of it; I mean, equipment, and at least some of the personnel-- ~~and so forth.~~ some thought this advisable and others not.

Whether it was in that meeting or elsewhere, I'm quite certain that the Agency was not very enchanted with the idea, at least in the person of [redacted]

Q And these were all concerns that [redacted] had. Isn't that correct?

A I don't think [redacted] would have been-- ~~you know,~~ [redacted] this is speculation--he might have been in favor of taking some of the people and some of the equipment, getting rid of the ones he thought were "dogs," and the people, selling off the equipment that he thought was not useful, but having ~~that~~ money from the sales staying with the contras. That was a concern of [redacted]

Q You mentioned some discussion about the fact that the Southern Front wasn't doing too well, and there were complaints about them needing some of these supplies. Do you recall, going back to different plane incidents, do you recall any incident in which a planned flight to drop equipment to the Southern Front Forces ended up [redacted] Does that mean anything to you?

A Well, I mean more than one ended up [redacted] I don't know if you're talking about, say, a flight that didn't originate [redacted] and then ended up [redacted] Or one that originated [redacted] and came back?

Q No, I'm talking about a flight that would have originated in Miami, gone to [redacted] and ended up [redacted] because of problems.

A You know, where any plane might ~~have come from~~ I cannot be certain there were several--we mentioned earlier--there were several problems with airplanes. One of them that I had noted was

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~~back [illegible] when a plane came in, and there was a question~~ a plane came in to pick up some stuff [redacted] and there was a fuss between [redacted] and Felix on the one hand, and the dispatchers of the plane on the other hand as to ~~and~~ whether or not that plane could actually pick up some materiel [redacted] because, as I say, they felt that

material [redacted]

that should have been ~~be~~ going to the Southern Front. ~~and~~ I think they thought this plane was going to pick up stuff--I thought the plane had come [redacted]--and it would end up in the Northern Front. That was one time.

There were these incidents we spoke of previously when ~~we were not on the~~ I was not under oath, ~~but~~ I mentioned to you about the plane that came in and strewed the equipment along the highway. That was a contra support plane.

I do not have any recollection it was or knowledge--that certainly doesn't mean there wasn't--of a plane that left Miami and went [redacted] unless say one of these planes I thought of as coming [redacted] which ~~[illegible]~~ may have been ~~[illegible]~~ a leg of a trip ~~or something~~ from Miami.

Q Well, that one incident that you described about a plane that came in to pick up some stuff [redacted] and that Felix Rodriguez and [redacted] felt that this equipment should go to the Southern Front, on that particular incident, first of all [redacted]

I'm trying to find where I made a note on that. I made some note of that.

[Pause.]

I can't say that definitely.

[redacted]

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[redacted]

Q Did you become involved at all in any problems that arose--I'm sorry? Did you want to add something?

A This thing of this plane, I think I found my note.

[redacted]

Q Is that a note you made based on the notes you reviewed?

A Yes. This is a note I made early this morning as I tried to review some notes that I had in folders that I brought with me.

Q Well, do you have anything in your notes for March 24, March 25, that time period, 1986, on a flight involving a dispute over supplies for the Southern Front?

A No, I don't think so. I don't have a note here, and I would have to review others. I would have to see what I have in my folders, but I don't think so. I tried to jot down here things that I thought might be of interest.

Q Well, do you recall any time in which--

A March 24-25? What is it?

Q I'm going to see if I can add some more details and see if you can put any details on the incident. An incident in which a plane arrived [redacted] empty because it ran into problems getting the FDN to release some supplies [redacted] destined for the Southern Front. The plane arriving [redacted] and a meeting being held, not with you there, but Colonel Steele was there, and a man by the name of Robert Owen was there, a man who was under contract with NHAL, and discussions--Oh, and Felix Rodriguez, and I believe [redacted]-and discussions about whether or not anything could be done with that plane before it had to go back to the United States to load up some specifically weapons to take down to the Southern Front.

A I do not recall that.

Q That doesn't--

A No. And again, just out of fairness to Steele, I'm not certain that he might not have mentioned something to me, but I certainly don't recall that.

Q Do you know whether or not--and I think I asked

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--that is a little limidating and perhaps distorting.

about our actions as USG employees in El Salvador

find out the truth

you this last time we met--

A You know, one of the things--and I'm just going to say this for the record--I'm under oath, of course. I'm trying to tell you as honestly as I can. There's a certain sense here--I'm not a lawyer. I would like to just call up on the telephone and talk with Steele and say, "hey, what about this thing here that we are being asked about?"

There's a sense in which I have felt constrained, either rightly or wrongly, to do things which seem to me very normal ~~to~~ for people who are wanting to try to tell the truth and ~~so forth.~~ I mean, I would like ~~like just~~ to be able to turn here and say, "Hey, Jim, did you tell me about that? Or did that happen?"

But there's a sense here that one has that you can't do that kind of thing. ~~You know~~, Or, if you do, you're going to be suspected of collusion or something. I just put that on the record, because I have a feeling that I can't do as good a job as I should is because: one, ~~as if~~ I have not ~~had~~ taken time to prepare myself better; and two, ~~as if I felt like that by doing things I wouldn't get somebody else in trouble.~~ feel restrained in talking with others to ascertain what was actually going on with respect to specific current questions, because to talk with them might be construed as collusion or cover-up.

not

I mean, I don't have any concerns about getting myself in trouble, but that's part of the atmosphere right now, at least for me. It may not be for anyone else, but I just wanted to tell you that.

Q Ambassador, I fully appreciate the fact that in some senses you're between a rock and a hard place on this, because (a) it would be helpful if you could sit down with [redacted] and Joe Steele and--

A Go into the dining room and just say--

Q --and say, let's see who can remember how much about that, or let's pool our resources and come up with what really happened.

On the other hand, if you do that, I appreciate the fact that somebody--not me, but somebody might say, oh, you've talked to Colonel Steele about your testimony.

A I have thought a half-dozen times about just getting on the phone and calling Jim and saying, "Hey, I've talked to these guys, and this is what I've talked to them about, and ~~you know~~, what have you talked about? And, oh, well, I didn't remember it that way, or something like that." I just felt like saying that.

Q Well, I realize I'm not the only player in this game. For what it's worth, I don't care if you do that or not, and I am not going to put any spin on it one way or the other.

Do you know whether or not Colonel Steele had any type of--and I asked you this last time--any type of special encryption device that he was provided, outside of regular DoD channels?

A No.

published several days ago,

in a cable

Q To communicate with the Southern Front?

A I do not.

Q And you certainly were not given any such device?

A I certainly was not.

Q Outside of regular, normal whatever you had that is typical Embassy equipment.

A No. And I didn't have the Southern Front's call sign, either, or frequency.

Q Did you hear anything about special encryption devices being delivered down to people [redacted]

to my knowledge, stated publicly that Felix had special communications gear.

A I did not. I read this morning, a newspaper from account ~~on a cable, of a newspaper article~~ I think ~~in~~ The Post, which for the first time, I remembered the question you had asked me in the informal session that we had, which inquired: ~~claims that~~ Felix had something. I knew nothing about that.

Q Okay.

A I saw ~~it~~ the article as I was trying to go through some stuff this morning. And I think that was a very recent article that my secretary had thrown into my folder.

Q First of all, tell me if you can how many times to your recollection Oliver North actually traveled to El Salvador during the time you have been Ambassador to El Salvador, that you know of.

VIPs that visit per year.

A I told you last time, I don't know whether it was three or four. I know it was two. Every time he came, it was with a group of people like [redacted] and maybe Bill Walker, and it seemed to me always to be en route someplace else, [redacted] and like a one- or two-hour stopover. And again, kind of defensively, I suppose, it might seem to people I should be able to tell you that very easily, but I have 150 Congressmen, or you know, I had 80 people down on one trip. I just don't--you know, we have multiple supposedly VIP groups in there at the same time. I just can't tell you exactly when and how many times Ollie w[illegible]

Q What about any times that Oliver North came down where he wasn't a part of a contingent, an official contingency, but was either by himself or with a group of private individuals? Do you know anything about that?

A No, I don't think so.

Q I have some information that sometime in late December 1985 Lt. Col. North traveled [redacted]--I don't know how long he was there, but he traveled [redacted] and met with some people there. He was traveling with some private individuals. Do you know anything about that?

other commitments.

A That may be. That may be, and I may have known about it, but I don't recall it, or recall the private individuals. I went ou[redacted]to meet people. Sometimes I had he may have come through there, and somebody said, hey, he's coming through, but I couldn't get out to see him. If somebody like Ollie is coming through, I want to be there. But it may have been that I had some kind of a commitment or something; but I don't remember that. And I don't like saying I don't remember, if it happened, but I don't remember it.

Q I'm asking for your best recollection. That's all I can get from you.

A Well, that's the best I can give you. I don't recall it. I certainly don't remember him traveling with private people.

Q When Oliver North would travel to El Salvador as an NSC staff member, I mean that is something you would expect or want to be informed about; right?

A Sure. I mean, I would just say right here that one of the things that I'm very insistent upon, and I think General Galvin, as we were mentioning here earlier, or anyone else can tell you--it's a little stuffy in a way--but I insist that no U.S. Government employee come into El Salvador without embassy clearance.

I mean, that's one of the few prerogatives that a Chief of Mission has, and if somebody sends me a message and says I'll be there, I kind of come back and say, hey, you know, we'll decide. That's one thing I try to hold onto, because I cannot be in charge of all U.S. Government activities ~~of~~ and people in El Salvador if I have people coming in and out of there that I don't know about, or doing things that I don't know what they're doing. So that's one thing I insist on.

Q Did you ever learn after the fact that North had been in El Salvador without going through proper clearance with you?

A No.

Q I asked you last time about General Richard Secord, and you described one time in which General Secord came by I believe your residence?

A No.

Q The Embassy? The Embassy. And I believe you described about a half-hour meeting, and you could not recall it.

A It was a very innocuous meeting. He had either gotten in touch with Jim Steele, but anyway Jim Steele called and said that this guy was in town, did I want to meet with him. If they've got two heads, I meet with them. I said sure, you know, come on in.

And I remember him coming into the office. I remember it being very much a non-meeting, what I call a "non-meeting." We chatted a little bit about his having been the Deputy Assistant Secretary in ISA, and how are you, and how are you, and that was kind of as I recall the meeting.

Q Do you know what he was doing in El Salvador?

A No.

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Q Did he ask you to do anything for him?

A He did not.

Q Did he describe in any way his involvement in assisting the contras?

A No. I think there was--

MS. JACOBSON: Excuse me.

[Ms. Jacobson confers with the witness.]

THE WITNESS: One thing that I think that it's important to note is that he was there as a retired military officer, as far as I was concerned, on private business. I don't think I'm capable of saying that I did not think that it might have something to do with contras, but we certainly didn't discuss it. ✓

BY MR. SMILJANICH: [Resuming]

Q Were you aware before he came to El Salvador that he was coming to El Salvador?

A No.

Q Did you feel in any way that even though he was retired, as a former Deputy Assistant Secretary, that you should have been informed of what he was coming for, or the fact that he was coming?

A No.

Q In other words, once he's a retired individual, you no longer have that same level of concern?

A No. I mean, I think ~~it's~~ a courtesy. ~~and~~ I wouldn't say that General Secord was at that level, but I think it's a courtesy that a person, for instance, if a former President is coming into your country, ~~[illegible]~~ treated completely differently because he's got Secret Service and so forth. But let's say, you know, that a former Secretary of State, Rusk, or Vance, or somebody, was going to come in, I think that at that level it is kind of considerate to inform us, or a courtesy, to let you know they're coming in to your country. ✓ ✓ ✓ ✓ ✓

They might say, "Hey, I don't want anything to do with you. Don't try to help me out." It's kind of a courtesy. At Secord's level, no. I mean, he's a guy, he's out, he's a brigadier general, he's one of many, you know, he comes in.

who served his country with distinction

to receive a former high USG official as

although he's

he should be treated with respect.

on the visitors part

and for the Ambassador to receive him

Q Did you hear, before November of '86, did you hear the name Richard Gadd, G-a-d-d?

A I don't recall hearing the name Gadd before.

Q You had no reason to connect Dick Gadd with Richard Secord in any way?

A No.

Q Did you have any indication or information that General Secord was, what's the proper word, was involved in some way with the Cuban-American, these groups of people that were connected with the private resupply to the contras?

A Yes. I mean, I had kind of a general feeling, and I hate to introduce somebody else's name in, that both Secord

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in support of the Contras

and Singlaub were people whose names were being mentioned, or were speaking ~~he~~ and so forth: that these were a couple guys who were, in their private role, retired, were related to ~~that~~ support for the Democratic Resistance.

At some point I'd like to take a break.

MR. SMILJANICH: Sure. Why don't we do that. Why don't we take a quick break right now. I think we will wind this thing up soon.

THE WITNESS: Why don't you finish your thought on that.

MR. SMILJANICH: Fine.

BY MR. SMILJANICH: [Resuming]

Q Were you aware when you met with General Secord that he had any type of relationship with Oliver North?

A I don't think so. I think in my mind that it was kind of a group of people out there who could be described with different adjectives by different people who were very supportive of the contras, who were trying to rally popular support, who were probably helping to raise funds ~~from~~ for them from private sources, and that these were people that Ollie was aware of.

I think that there ~~was~~ were questions in my mind~~;~~ I remember Ollie and I were talking at one point, and as I recall it Ollie saying that he had--because I was also interested about my role, not just for Ollie--that in terms of any contacts or relationships that he was having with people like that, that the legal counsel of the White House had said that the law did not prevent it, that that was not prohibited.

were aware of--

I have been told since then that it was not the legal counsel, that it was, I don't know, the Committee on Intelligence or something. ~~But~~ I think that most people--and, ~~sometimes,~~ one of the things I mentioned to you before that kind of amazes me, about airplanes falling out of the sky, running into mountains, all of this, ~~and~~ there was a general knowledge in the press and elsewhere that there were a number of Americans involved in trying to support the contra effort.

We had soldiers of fortune showing up, reading whatever that magazine is. That was common knowledge. Certainly I didn't spend a lot of sleepless nights trying to put it all together, but I figured that guys like Secord and Singlaub were involved in this effort, and also they at least had a speaking relationship with Ollie.

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MR. SMILJANICH: Why don't we take a break here.

[Whereupon, a brief recess was taken.]

MR. SMILJANICH: Back on the record.

BY MR. SMILJANICH: [Resuming]

Q Okay, before I leave the topic, let me just make sure I can put an X through something I have here that I have covered it.

You're not aware in any way of a trip that Oliver

North would have made to El Salvador in December of 1985 in which he was accompanied by two private individuals, Chi Chi Quintero and Richard Gadd?

A No.

Q Were you ever aware of a trip to El Salvador by Colonel North in which General Secord accompanied him?

A I don't think so, no.

Q Can you tell from your notes or from your memory when it was that you had that brief meeting with General Secord?

A No, I cannot tell from my notes. It might be that with enough digging I could establish that, but a lot of my calendars and everything were destroyed in the earthquake. It may be by looking into other things somehow I could figure it out and I could relate it to something else, but I cannot give you the exact date of that. I can't even give you an approximate date, to tell you the truth.

Q Can you give me dates of, when you know of, that Colonel North was in El Salvador?

A He was in El Salvador on this December 30 visit. What I was trying to remember is whether he came back through there. Like whether they went [redacted] and then came back, but he was there on December 30. And he may have come back there through a few days--like gone over there and come back, but I'm not certain of that at all.

And then I thought I had found another date that indicated when he was there.

[Pause.]

I should be able to give you a better answer than this. Right now, I can't give you dates. I thought I had noted another place here that I had a date. I may find it.

[Pause.]

I will keep looking here. I will find it. If you want to start another question--

Q No, go ahead. While you are doing that, I need to review something.

[Pause.]

A I can't remember who all was on the trip with Poindexter when he came through for the briefing. It could be that Ollie was on--that was on December 12--and it could have been that Ollie was on that, but I don't remember. That's the best I can do right now.

Q Okay. Speaking of Admiral Poindexter, do you recall anything about his visit in December of 1985 when he came through El Salvador that concerns itself in any way with the contras?

A Not other than--I mean, you can't talk about Central America without talking about the contras; but in terms of resupply effort or something, no, sir.

Q Other than in the broadest sense of just Central

American policy?

A No.

Q You don't recall?

A I have, I'm sure, I have one folder--probably one of either my strengths or faults is that I keep too many things-- but I have the notes on the yellow pad that I wrote out to use for the briefing of Poindexter, ~~and~~ I'm sure I followed those notes, and those notes are in a file in San Salvador.

MR. SMILJANICH: Off the record.

[Discussion off the record.]

MR. SMILJANICH: Back on the record.

BY MR. SMILJANICH: [Resuming]

Q Did you ever feel that Felix Rodriguez was acting on any type of higher authority, or higher instructions concerning private resupply of the contras?

A No. Well, I felt that he had a relationship with a number of people in Miami. I knew that he knew Don Gregg. I knew that he knew Ollie. But that there was someone ~~him~~ running him or instructing him, I did not feel that was the case. I'm sure that he had telephone conversations with all of those people.

I know that at one time he complained about money, and not money for salary but just like for travel, and I think that was with some people from Miami or somebody who was helping him out. But ~~like~~ that he worked for somebody, I didn't have that feeling. I felt that he kind of worked for a lot of people, worked for himself, and, as I say, there may have been a more dominant relationship elsewhere that I don't [redacted]

Q Now tell me any incidents you can recall in which you personally interacted with those private people [redacted]

A I don't--

Q For example, I think you talked last time about being--well, maybe you didn't say you personally--talked--

A I don't think I ever talked, or personally saw, ~~or~~ [redacted] a person from one of those private groups.

Q What about complaining to--some complaints you were getting about these people raising hell in town and stuff like that?

A Well, Steele came to me and told me that these guys were whoring around, raising hell, getting drunk, and that they were going to cause problems, and that he was going to talk with them, and he wanted me to know. He wanted to make certain it was okay, and I said, yes.

And, in fact, it was amazing when I was going through some of these papers, and it's in here someplace, but

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when he jotted down for me the points he had made with the private group--

he had told them in his talk with them.

he had written down, some of the things in his hand. I'm sure it's his hand, on a note that I had made some notes on. I must have been talking on the phone or something. The content of that conversation. That was made back at that time.

One of the things that was very notable to me is that he had stressed that he was not running their operation.

He had come to talk with them, and that he wanted to talk with them about their comportment, and that this could cause problems for everybody, and he talked to them about their phone bills. And I don't know why he talked to them about their phone bills.

Q I was going to ask you about the phone bills.

A I asked myself, this morning, who told him they weren't paying their phone bills? But they had to pay their phone bills. They had to quit raising cane. They had to stop doing things that were going to cause problems, because if they kept it up that it could be bad for us in our bilateral relationship.

Q Did [redacted] ever complain to you about the phone bills these guys were racking up?

A I don't remembe[redacted], but I think Felix mentioned the phone bills, yes. I don't think that [redacted] said anything to me, but I think that Felix complained. I'm sure that Felix complained to me about the phone bills. And in thinking about it, I mean, I don't know how the knowledge came) but that is probably why Jim mentioned it, because Felix probably mentioned it to Jim.

to Jim,

Q Did it ever come to your attention that some or several of the pilots who were involved in this operation [redacted] came from South Africa?

A Yes. Rhodesia, or South Africa.

Q Rhodesia, or South Africa, right.

What can you tell me about that? What do you recall about that?

A All that I was informed about was some of these people were, I think Rhodesians, not South Africans, and that they were really wild men.

Q Do you recall who told you that?

A No, either Jim or--they were out there at the--either Jim or--probably Jim. It could have been Felix, and probably both of them told me, I don't know.

Q Okay. Do you ever recall any occasion in which Oliver North and [redacted] participated in the same meeting?

A Yes.

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Q When was that?

A You know, in this meeting that took place on, I guess it was, December 30, it was a kind of disturbing meeting

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one of my penchants, one of the things I consider to be my responsibility--and you may think that this kind of clashes with knowing enough but not knowing everything, but I don't think it does--is to know everything that could be important that is going on.

When we had the meeting there on, I believe it was December 30, what ~~had~~ really happened is that there were a whole bunch of side-meetings. There were a whole lot of meetings going on at the same time. [redacted]

And Ollie went in and talked with [redacted] The only person I was with all the time was Bill Walker, who is an old buddy of mine. He was my DCM when I was Ambassador in Bolivia. But there were all these things, and I wasn't quite certain of everything that was going on.

It's not that you can always be. But the answer to your question ~~that~~ is, yes, on December 30 Ollie and [redacted] participated in the same,

Q You can't tell us about any particular meeting that met perhaps with North, [redacted] and then you would have been talking about anything as a separate group? And I'm not suggesting it happened, please.

A North, [redacted], and me?

Q Yes.

A I won't say it didn't happen, but I don't recall it. I mean, that particular trip was like four hours, and it was just kind of like all over the place in little subgroups.

MR. SMILJANICH: Let me check my notes here. I may be done with the areas.

[Pause.]

BY MR. SMILJANICH: [Resuming]

Q I asked you this last time, but Tom Clines wasn't a name that meant anything to you? You never talked with him or knew anything about him?

A No.

Q Did any of your meetings--and I apologize if I'm repeating myself--did any of your meetings with North, or at any time you came in touch with North in Washington, ever deal with private resupply to the contras?

A I'm sure we talked about private resupply to the contras. I mean, there was private resupply [redacted] There was this general kind of thing that Ollie repeated a lot, you know, that we're going to get through this period; there are very [illegible] Americans and foreigners who are providing funds, you know; the world will long note

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what these people have done.

But in terms of any details, no. I mean--and there was no doubt in my mind that Ollie was aware that people were involved in this. I cannot say that--I cannot recall anything that Ollie ever said to me that would show that he was the director of the orchestra, or anything. But certainly that he knew these people, that he had admiration for them, that there was an untold story there, et cetera.-- That was part of our conversation.

Q I know that in the broadest sense, of course, foreign policy for any Administration is set by the President, and passes through the Secretary of State. On a day-to-day basis, though, as Ambassador to El Salvador during the time frame of 1985 and 1986, where did you get your direction from?

A From the Department of State.

Q Well, from the Department of State, but where? Was there any particular--

A Well, the chief person there is Elliott, without any doubt. There is a sense, you know, in which Ambassadors, and particularly career Ambassadors, ~~you~~ kind of play ~~these~~ mental games. In a protocol sense, the Ambassador in his country is senior to anyone else. ~~and~~ Yet in a realistic sense ~~it~~ is ~~always~~ partly in terms of your own status, how long you have been in the Foreign Service, ~~where the different parts are that you~~ what country you're accredited to. ~~where you can actually plug into the State Department~~.

And, of course, you like as much as possible to get to where the people are making the maximum decisions. But on a day-to-day basis, Elliott and Bill Walker, as his Deputy Assistant Secretary in Charge of Central America. If I have a problem that I think cannot be handled at the desk officer or the office level, I'll call Bill. He's an old buddy. Or if I think it's more, I'll call Elliott. If it's necessary, I'll call somebody on the Seventh Floor and talk to them.

[illegible] with

historical

except the President.

the level at which an Ambassador plugs in within the Department

critical,

Q Well, as the Ambassador down in El Salvador, what perception did you have in 1985 and 1986 of the Restricted Interagency Group, and how that interacted with your mission?

A I had the view that it was helpful, that it was something that the Department of State needs to do. It's something that Administration after Administration has sought with different ~~formulas~~ in order to coordinate among all the agencies of the United States Government that project themselves overseas, either because of their function or because they just want to get over there and have one of those jobs.

negotiations and acronyms

I saw it as very valuable. I saw Elliott as clearly the predominant character there, as I think he should have been. And I think that, you know, based on what he was told that things were running as one would expect them to do,

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and very well, under his leadership.

Q When someone says "the RIG" to you, obviously you put Elliott Abrams as the chairman of it.

A As the chairman.

Q What other names do you automatically associate with the RIG during that time frame?

A Well, during that time period it was Ollie, and [redacted] and Ray Burghardt would come, kind of like two different parts of the NSC. There was always this kind of question as to who Ollie worked for. I mean I think the guy in charge of ARA at the time, Ray Burghardt, was a little disturbed as to whether he worked for him, did work for him, and things like that.

Then there would be a representative from the Joint Staff, from the Joint Chiefs of Staff. And sometimes there would be somebody over from DSAA, oftentimes, Colonel Royer, ~~often~~, and DIA. They were all the players you would normally expect.

Depending on the subject, you might bring in somebody from AID, if it were on the economic ~~political~~ side. Those were some of the principal players.

Q When the subject involves the Nicaraguan Resistance, did you ever have the perception that there was sort of a subgroup of the RIG that primarily concerned itself with that?

A Yes. I think ~~it~~ there was--yes.

Q Who would that be?

A Well, I think the RIG, by its very nature, is constitute depending on the subject of the agenda. You may include people that you wouldn't another time. But certainly on the Democratic Resistance it would be Elliott, Bill Walker [redacted] Ollie North, myself, when I was up. Or, I'm sure if our Ambassador [redacted] was up, he'd be in the meeting.

On the military side, it's not as clear. It seemed like there was always somebody there, but they weren't as--I may be doing them an injustice--but they weren't as much of ~~a~~ players.

Q In the Tower Report, Ambassador Tambs referenced the RIG in connection with what he was talking about, the RIG that was basically giving him guidance. He discussed it in terms of Elliott Abrams [redacted] and Oliver North. And there's been some criticism of that statement, the fact that the RIG is much bigger than that; why limit it to those three.

What's your perception of that? In other words, did you feel that those three gentlemen in particular were the sort of the core of the RIG that would deal with contra issues?

A Yes, I think that they were in a sense the core,

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because, for instance, General Galvin was a very important player in these things, whether it was in an initiative way or a restraining way.

And there were representatives from the Joint Chiefs of Staff, at times, their representatives. I mean, I don't think that it's fair to depict that, that there was a little trilogy there.

In the meetings that I was in, they may have been more central. ~~closer to it~~. They may have been involved in it more, ~~and more~~, but there were other parts of the Government's interests that were either being informed, or had the opportunity to express views and opinions at any time, ~~to come in~~.

Q How many RIG meetings did you attend?

A I don't know whether it was two--it seems like I always come to the same numbers--whether it was two or four, but generally when I came up, they would try to schedule a RIG meeting. I'm sure that when Lou Tambs came up, they would try to schedule a RIG meeting, and when John Ferch, or whoever.

So usually when I would come up, we would try to have a RIG meeting, but not always.

Q Well, can you be particular about any specific RIG meeting that you attended, who was present specifically, and what general topics were discussed?

A Well, I think the people that I just talked about, and the topics are the normal topics on Central America, Contadora negotiations; the relationship, let's say, of negotiations within El Salvador with the FMLN to the negotiations ~~with~~ the Sandanistas; with the UNO and the FDN; economic questions are inevitable to come up at times in the RIGs; a discussion of how to get the--we had one RIG in which Luigi Einaudi, who is kind of the guru of history of what has happened -- discussing how to get the bureaucracy to work.

I mean, the subjects weren't all just the contras.

Q Well, in the RIG meetings you attended, how many people were present?

A Well, sometimes we met in the ARA conference room, and there could be 14 or so people there, or more, but certainly that magnitude. And we had some meetings which, whether they were formally called RIGs or not, maybe they weren't, like in Elliott's office where maybe there would be six or seven or eight.

Q The name he mentioned was Luigi Einaudi, E-i-n-a-u-d-i.

A That was a special RIG meeting to discuss, you know, how can we help the Salvadoran Government be more efficacious.

Q I think that's all the questions I have.

MR. SMILJANICH: Do you have any?

MR. TRAYLOR: No.

MR. SMILJANICH: Let me think, then.

[Pause.]

BY MR. SMILJANICH: [Resuming]

Q When you mentioned--and I understand your memory is vague on this--something being said about the [redacted] or the [redacted]-I believe you said it in the context of the group or groups that might take this equipment, these aircraft and other equipment, away when the $100 million in aid came along.

Does the name "Udall Corporation" mean anything to you, other than what you have read in the paper?

A No.

Q That does bring up one more topic.

A While you've got me, get me.

Q That's right. Let's take advantage of the situation.

Do you have any information concerning the provision of aid to the contras by third countries?

A No, I don't. I know that I mentioned earlier that Ollie mentioned that there were Americans and foreigners who were ~~like~~ contributing to make certain that the contras could hang on--and on this part I'm less certain--but certainly in my mind, it was very clear that these [redacted] whether they were [redacted] or what. But anyway, I had the idea that there were some [redacted]

I would like to stress that, certainly, the interpretation I gave to that was that they were private individuals, and not governments, at all.

Q You were not personally aware of any third countries [redacted] who were providing military aid to the contras [redacted]

A No.

[Discussion off the record.]

BY MR. SMILJANICH: [Resuming]

Q Two last questions. When you walked away from the meeting in Don Gregg's office in August of 1986, what did you walk away with? What was the outcome of the meeting?

A Well, I thought you were going to ask me that a long time ago. I didn't see any conclusions really in that meeting. I mean, it wasn't like--it wasn't, to me, ~~like~~, we got together and discussed all of these, and we decided courses of action, one, two, three, four, or anything like that. It was kind of you were there, and you walked away.

I mean, it was not like, "Okay, do up the action memo."

Q You're not the first person that says that, by the way.

A Pardon?

Q You're not the first person that says that, by the way. Ray Burghardt left the meeting and said, what was that all about?

Q Okay, the last question is really not a question, but a request. First of all, I had mentioned very early on that if at any time in continuing to review your notes or anything you feel there is something you really wanted to add, or clarify, or in any way talk about, please let us know and we will--we are not going to ask you to make a special trip back just because you came up with one little thing you forgot to tell us, or something; but, you know, some kind of arrangements can be made, perhaps, to handle the situation.

My second request is this, and I'm not asking you to let us look at these, or have these now, but I'd like you to give consideration to and discuss with Linda Jacobson and whoever else, I would like to have the opportunity to review your personal notes that you've kept, not in toto, but any that in any way touch upon the issues we've discussed that you've reviewed in order to help you with your memory.

A If the Department, as a Department, says fine, that's fine with me.

Q I just want to make that request.

MS. JACOBSON: Ambassador Corr will review the directions that the Secretary gave to other officials in the Department who have personal notes.

MR. SMILJANICH: I missed the first part of what you said.

MS. JACOBSON: I will review with the Ambassador the directions that the Secretary has given to others.

MR. SMILJANICH: Okay. And if it is okay, if it can be worked out, you don't need to stay around or anything; I just want to be able to maybe get a copy of it. Or, if I need to go look at them somewhere, or anything like that.

THE WITNESS: I will go over them.

MR. SMILJANICH: So if you need to leave them behind.

MS. JACOBSON: With his permission, we will provide you access, but not copies.

MR. SMILJANICH: That's fair. Well, I would like then to make some kind of arrangement when we could come by and just review them.

THE WITNESS: I have a question now. There will be a written record made of this that will be sent to me for my review?

MR. SMILJANICH: Yes. Let's finish up here officially. That concludes the questions I have.

Tim, do you have any?

MR. TRAYLOR: No.

MR. SMILJANICH: Ambassador, I will have this with that one exclusion that we discussed a moment ago. When it is transcribed, I want to give you the opportunity to be able to review it and determine whether or not you feel the transcript is accurate, and then after having reviewed it you can be making notations that you wish to make, "I feel that the following corrections need to be made," and then I would like you to affix your signature. She will have a signature page to the deposition. Sign it, and then we will receive the original.

As far as a provision of copies, I am not certain what the rules are here. Certainly I have no problem with a copy being kept by you, but I am not certain. There are all kinds of special precautions obviously, given the fact that this is a Secret document. There may have to be some special thing.

But in terms of you getting a copy, I don't have a problem with it. I just need to make sure that we go through the proper procedure to do it.

THE WITNESS: When might that transcript be available?

MR. SMILJANICH: When might that transcript be available?

THE REPORTER: As soon as we conclude the deposition, I will begin typing it.

MR. SMILJANICH: That is great. That concludes the deposition.

* * *

Edwin G. Corr

SIGNATURE OF THE WITNESS

Subscribed and Sworn to before me this ----- day of May, 1987.

NOTARY PUBLIC IN AND FOR

MICHELE R. WILLIAMS
Vice Consul of the United States of America
COMMISSION:
Indefinite 22 USC Sec 1196
American Embassy (Consular Section)
San Salvador, El Salvador

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SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
and
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Redstone Arsenal, Alabama
Monday, August 10, 1987

The deposition of JOHN C. COWARD, called for examination in the above-entitled matter, pursuant to notice, in the office of the Staff Judge Advocate, room G15, building 111, Redstone Arsenal, Alabama, convened at 1:43 p.m., when were present on behalf of the parties:

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by K. Johnson, National Security Council

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APPEARANCES:

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Court Reporter:

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Redstone Arsenal, AL 35898-5120

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C O N T E N T S

WITNESS	EXAMINATION
JOHN C. COWARD	
By Mr. Saxon	4

E X H I B I T S

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Coward Deposition 2
Coward Deposition 3
Coward Deposition 4
Coward Deposition 5
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Coward Deposition 7
Coward Deposition 8

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by K. Johnson, National Security Council

PROCEEDINGS

Whereupon,

JOHN C. COWARD

was called for examination by counsel for the Senate Select Committee, and having been first duly sworn by Colonel John K. Wallace III, was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q. If you would, sir, please state your full name for the record.

A. Okay, John, middle initial C--is that sufficient?--

Q. Sure.

A. --Coward, C-o-w-a-r-d.

Q. And, Mr. Coward, I believe you're currently retired from government service, is that correct?

A. That's correct.

Q. And what was the date of your retirement?

A. The 3rd of April '87, this year.

Q. And prior to retiring, immediately prior, what was your position

A. I was an inventory management specialist in the Missile Log Cent

Q. In the Missile what?

A. Log, the Missile Logistic Center.

Q. And how long had you been in that position?

A. About 17 years.

Q. In that exact position?

A. In that exact position.

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Q. So, you knew a little bit about this stuff.

A. Somewhat.

Q. I don't have to, then, ask you what you did prior because we've covered any period we're interested in. My questions to you will be directed toward what we now know as Project Snowball, which is the provision of three shipments of basic TOW missiles with MOICs in the quantities of 1,000 for the first shipment, 508 in the second shipment, and 500 in the third shipment, from Anniston Army Depot to the Army Missile Command, on to the office of the Deputy Chief of Staff, Logistics.

A. Well, let me ask a question. Are you saying the total quantity of missiles with MOICs?

Q. Well, the total number requested with MOICs, although my understanding is the third shipment actually went forward with missiles without MOICs.

A. That is correct.

Q. But that's what the request was for.

A. Understand.

Q. And that's in fact what the CIA paid the Department of Defense for, even though they didn't get provided the MOICs for the third shipment Just for the record, you had no involvement with Project Crocus, and that is the HAWK repair parts, is that correct?

A. None whatever.

Q. And, for the record, you had no involvement with the Contra side of the Iran/Contra affair.

A. Absolutely not.

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Q All right, so my questions will focus on that involvement with Snowball. If you would, simply walk us through in chronological fashion your involvement, when you got involved--and exact dates aren't so much material as approximate times 'cause we more or less know the exact dates, but we want to know how'd you get involved, who notified you, what did they tell you to do, what did you then do, what happened next, et cetera.

A Okay. Sometime early--in early January of '86, I was called to a meeting at the TOW project office in the office of the then deputy, George Williams.

Q And he was later replaced by Mr. Leachman?

A That is correct.

Q And at the time, Mr. Leachman was the chief of Logistics Branch?

A That is correct.

Q TOW project manager was Colonel Lincoln?

A That is correct. So, Chris Leachman, George Williams, and I and possibly one or two other parties met and discussed in very broad terms impending shipments in the amount of some 4500 missiles, TOW missiles. I gave them certain inventory figures on what was on hand in the depot. We were put on standby for some little time--I don't recall how much time passed, but I think late in January, mid- or late January, we made the first shipment of 1,000.

Q If I can interrupt, you're doing exactly what I asked, but if I can interrupt your chronology for one moment--

A Certainly.

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Q. When you were told roughly 4500 missiles--and it later became 4508--were you told what kind of missiles?

A. That was discussed.

Q. And what was the resolution of that?

A. Well, that would be primarily the MOICed missiles of the standard range variety.

Q. But you start with basic TOWs, right?

A. That's basic TOWs.

Q. And then were you told what condition code they should be in?

A. If I recall, they would be in condition code "A."

Q. And at what point and by whom was the determination made that there were insufficient missiles in condition code "A" as is, meaning that you would have to put the MOIC on the missile?

A. Now that's a toughy. I don't recall the chronology there.

Q. Would it have been within the first week or so that you began to work the requirement?

A. Possibly a little longer than that. I was on special project then for roughly two whole months, and to try to zero in on certain dates back, you know, during that time frame is, for me, is almost impossible.

Q. Okay, well, then--and it's not that important for your purposes--let me ask you. There came a time, I take it, when you knew you were working with basic TOWs that would need the safety modification in order to bring them up to condition code "A."

A. That's correct.

Q. Now, continue with your chronology, if you would.

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A. Okay. I made a note here. Let me refer to one little--just a little note. It didn't amount to a lot.

Q. You refer to whatever you need to. We'd rather get it all right than have you do it from memory.

A. [referring to a piece of paper] Okay, that had to occur sometime between January when the first shipment was made--all the paperwork was made up--between that time and--I don't know what date it may--I've just got a recollection of May being the second shipment, and along about--let me back up a moment. It had to be between May of that year and October that certain things happened that made it evident that the MOICed rounds were not going to be available in the quantity needed.

Q. You're going to the issue of the ITOW, I-T-O-W, downgrade, which was necessary because at Anniston Army Depot, they either were out of MOICed rounds or modification kits.

A. That's true, but prior to that, if my memory serves me, didn't we ship, in addition to the first shipment of 1,000, didn't we ship 508? All these were MOICed, I believe.

Q. That's correct.

A. Add the "e-d" as you point out, to the verb, but the third shipment in October was not an ITOW modified down but, rather, was just 500 extended range, I believe, is that correct?

Q. I think that's correct. They were clearly condition code "N" and did not have the MOIC on them.

A. That is correct.

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Q Well, let me go back, then, to the chronology and ask you after this initial meeting where it was discussed and the requirement was presented for everyone, what was your specific role in the first shipment?

A Simply to prepare the materiel release order.

Q MRO?

A Paperwork, and I did some coordination with the depot.

Q Okay, and would that have been the extent of it?

A That would have been the extent of my involvement.

Q And would you have done the same thing for the second shipment?

A Absolutely.

Q And for the third shipment?

A And for the third, right.

Q And that would have been in the normal course of doing your job?

A It was just an everyday thing, right.

Q And were you involved with any decisions or discussions with regard to pricing for the basic TOW with MOIC?

A I was not.

Q Okay, when you were told to work up an MRO, transmit information to the depot, et cetera, were the stock numbers of the missiles specified?

A Yes, they were.

Q By whom were they specified?

A By either Chris Leachman and George Williams or both.

Q To you?

A To me.

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Q. And they had received those specifications from someone else?

A. That was my understanding.

Q. Do you recall what stock number they gave you?

A. 141001--

Q. If you want, you can just give us the last four digits.

A. Okay, the last four digits: 1512.

Q. And the 1512, if I can call it that--

A. Yeah. That's the MOICed round.

Q. --is the basic TOW with MOIC.

A. Right.

Q. Or a 71 alpha 2.

A. That is correct.

Q. And your recollection is that stock number was specified when it came to you.

A. It was for those first shipments, although we had had discussion on the availability of both the so-called extended range missile, which is stock number ending in 2507, and, also, I don't recall the specifics of the discussion, but we discussed the modification of the ITOW back down to the extended range; in other words, removing the ITOW warhead and replacing with an extended range warhead.

Q. I take it from the fact that even though maybe you've gotten a little rusty since you retired, but you would basically know the exact stock number of a number of digits. You worked with these all the time.

A. I normally would know all of them.

Q. And would you--at the time, did you know the price of a 1512 or a basic TOW with MOIC according to the AMDF?

A. Yes.

Q. And what was that price?

A. Okay, the basic without the MOIC was $3169, and, if I recall, with a MOIC it was possibly $5500, give or take.

Q. All right, if I told you it was $8435, would that refresh your recollection?

A. Well, keep in mind that these AMDF prices were constantly being updated. At some point in time, I believe you would find that it might have been only in the $5,000 price range.

Q. I would simply say for the record, that's the first time we've ever heard that figure, and the documents I'm going to show you later would reflect $8435.

A. Okay. I could stand corrected on that.

Q. Well, I'm not trying to testify for you--

A. Mm-hmm.

Q. --but let me just say--time out; the telephone has buzzed us.

[There was a momentary pause in the proceedings while Mr. Saxon took a telephone call.]

Q. Mr. Coward, I take it from your testimony, whether we're talking about $8435 or a $5,000 figure--and we'll address this later--it would be your testimony that if you have a basic TOW and add a MOIC, you don't simply take $3,169 and add approximately $300, which is the price of a MOIC, to get $3469.

A. No. By the same token, I don't--I'm not able to see precisely how it would go all the way from $3169 to $8400, I believe you said.

Q All right. What would you do if you--well, first question, if you knew this stuff pretty clearly, then you would, I would think, be able to give a precise figure as to what a basic TOW with MOIC is without going to the AMDF, would that be correct?

A At that time, I would have.

Q Would you--do you recall if you did go to the AMDF to see what the price was of the basic TOW with MOIC?

A Well, let me point out that that would have been one of the entries on the 496 form that we process the MRO on. Therefore, I would have gone--unless I just had it in my head, I would have gone to the AMDF in order to fill out that form.

Q Okay. What would be your judgment as to who else would have been aware that if you have a basic TOW with MOIC, you would have a different national stock number and, therefore, a different price? Would Mr. Leachman have known that, do you think?

A Oh, yes.

Q And Mr. Williams?

A Yes.

Q What about Colonel Lincoln?

A I would think so.

Q And I'm going to be showing you some documents, and these have already been marked. We may not go through all of these, but I will show you first Exhibit 1, which is MICOM Form 496, the MRO you mentioned.

A Right.

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Q. And this has a date of January '86. The exact date is unclear, but, if you'll notice [pointing it out] from the quantity block, this shipment is 1,000, so we're talking about the first shipment.

A. Right.

Q. And the unit price is $8,435. Now, do you know whether you would have been the person to have prepared this document as the item manager?

A. That is my handwriting.

Q. That is your handwriting; so, we have found the source of this document.

A. Right, and we've also found undisputed evidence that the AMDF price at that time was $8435.

Q. And it would be your testimony that you would have double-checked--even if you had it in your head, you would have double-checked the price?

A. I certainly would have, yes.

Q. Before you put it on that document?

A. Right.

Q. All right. Let me show you now a document which is Exhibit 2, which you may not have seen this particular document. In fact, my guess is you would not have, but this is a computer card used at Anniston Army Depot. On the first shipment, if you notice under the quantity block of 1,000--

A. Right.

Q. --and it bears the price of $8,435. Now, if I can direct your attention to some of the writing on it, this is copied from a GAO

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document in which they took this card, and there was some writing on it, and the GAO officials had written "MICOM gave price," meaning the price of $8,435, and in paren is the name John Coward. Do you recall having given that price to someone at Anniston Army Depot?

A. I would not have. I would simply have filled this out. The stock control people in turn would have either called out or transferred this information to this type card.

Q. I understand.

A. And it would have been either, then, transmitted by transceiver, by telephone, or whatever, to the depot.

Q. The handwritten note--and I'll show you this in a moment, but let me read it from Exhibit 2; the GAO investigator says that the first--in the first shipment, Mrs. Janice Griffin, Anniston Army Depot, informed us that John Coward, item manager, Missile Command, phoned the materiel release order authorizing shipment. That's what this says. Do you recall having phoned that? I realize it's been some time.

A. I think she's wrong there. I don't recall. Someone might have inferred that it came from me because most of them know me down there--knew me--but in our part of the system, we didn't--we, as item managers, didn't call in MROs. That was done by the stock control people. The party who may have called this in could have well said, "This is one of John Coward's items," and that might have led someone to believe that this was--

Q. All right; I understand.

A. In fact, thinking back, I'm not going to discount the fact

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that I could have taken this over to communications and had it datafaxed because at the time all this was going on, we were doing a number of things to speed the process. I can't say that for certain on this particular document, but--

Q Let me show you Exhibit 3 and simply ask you if you are familiar in a generic sense with this form. This is something that Anniston Army Depot uses. It's called the ammunition planning worksheet.

A I've seen these before.

Q And on here for the first shipment of quantity 1,000 [pointing it out], it reflects a total price of $8,435,000, which, if you do your arithmetic, is $8,435 per.

A Times 1,000. Right. I've seen similar pieces of paper.

Q Okay, sir. I'm not going to walk you through all these because not all of these exhibits directly pertain to your involvement, but are you familiar with the DD Form 1348?

A Yes.

Q All right. Let me simply show you as Exhibit 4 the initial form prepared at Anniston Army Depot for shipment to Redstone Arsenal in the quantity 1,000 TOWs, and the price, again, is $8,435, is that correct?

A It is.

Q Did you have any involvement with these shipments in which a lower or different price was discussed, to your recollection?

A No. I don't--in fact, I don't recall any price discussion until after this whole thing was over.

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Q All right. Let me go, then, to the second shipment, and this is Exhibit 8 from the previous deposition, which would now be a different exhibit number [Exhibit 5], but this is the MRO dated 16 May '86, quantity of 508 missiles, which would be the second shipment. Did you have anything to do with preparing this document?

A Absolutely. That's my writing.

Q That's your handwriting, and, again, the unit price is what?

A $8435. I stand corrected.

Q I can show you similar documents that we've just looked at for the first shipment; that is, the computer card, the ammunition planning worksheet--

A Right. All the backup.

Q That would reflect the same thing for the second shipment. Let me simply go to the third shipment and show you what has previously been marked as Exhibit 14 from the earlier deposition, which would be the next in this sequence [Exhibit 6], and the date is faint; the quantity, though, is for 500.

A Right.

Q Is this a document that you prepared?

A Yes.

Q MRO? And is that your handwriting?

A Yes.

Q Now, the price here is $8,164. Do you have any idea why we have that price?

A Well, of course this is the first generation extended range missile; in other words, a TOW missile, with a range of 3750 meters as opposed to 3,000 meters for the basic, so, naturally--and they're still in production, I might add--so, naturally, the cost of this missile would be considerably greater than the old $3169 for the standard, which has long been out of production. Now, if you're asking, "Why isn't it as great as the MOIC?" you know the basic that's had the MOIC applied, I can't really say.

Q What does the condition code reflect there for the third shipment

A Condition code "N."

Q And I believe the first shipment reflects condition code "A," as does the second shipment.

A Indeed, because those were code "N" missiles, which had been modified up to code "A" by application of the MOIC.

Q All right, sir.

A In this case, these were missiles that would require the MOIC but did not have it applied.

Q And let me make sure I understand why the third shipment reflects $8,164. What would you say, again, is the reason for that?

A Well, it's a later version than the old basic missile, which had a price of $3169, and it was still in production. To my knowledge, it's still in production.

Q And would that have come from the AMDF, and would that reflect the last procurement price for that missile?

A Well, let me say it would have come from the AMDF. I wouldn't have looked any further as far as saying, you know, "Hey, is this the latest procurement price?" that we were--as far as I know, we were out of production for Army.

Q. Do you recall if specific stock numbers were given to you for the third shipment different from what was given for the second and first?

A. Yes, indeed. In fact, I had already made an entry here erroneously of the 1512, and then--

Q. This one was for the 2507?

A. That is correct, so, it was brought up, "Hey, you've got the wrong stock number there," I made a change.

Q. All right. I'd like for you to look at the next exhibit, which is Exhibit 15 as previously numbered; would be the next in sequence [Exhibit 7], and this is the computer card generated at Anniston Army Depot for 500, which is the third shipment, and it reflects the stock number of 2507 as you've provided on the MRO.

A. Right.

Q. And yet it reflects the price of $8435. Would it be your testimon that if we have the 2507 stock number, then the proper price is the $8164 and not the $8435?

A. Absolutely. That's an evident error. I can't really say who generated that error. If this had been a callout, I would have thought that the same entries which I had put in this 496 should certainly have been phoned in item by item, including specifically $8164 and not $8435. However, I'd like to make one other comment on that.

Q. Sure. You're the witness. You say whatever you want to.

A. Keep in mind I'm not going to--[checking exhibits]--wait just a second, now. I wonder if I got my unit price on this form right here [referring to Exhibit 6]. Okay, my first thought there was that if I had had the $8435 here to match with this and had not changed it, then I could see how it would have stayed $8435. However, I did change it, so strike that. Just a thought.

Q For the record, if we look at Exhibit 17 as previously numbered [Exhibit 8], the DD 1348 worked up for the 500 missiles, meaning the third shipment, with the 2507 stock number, again, they've plugged in the $8435 price, meaning they were consistent in their incorrectness--

A Right.

Q --and I think we can probably stop with the exhibits there.

A Was this caught--may I ask if this was caught at a later date and directed to back up to the $8100-plus price?

Q No, sir. If you're interested, the figure changes significantly but not to $8164.

A I see.

Q It goes down to zero, and then it goes back up to $3469 by the time these missiles get to the CIA, but it doesn't--it never shows $8164. Let's go back to the figure of $8435 for the first two shipments and assume that it's correct. Now, as a practical matter, the AMDF was incorrect, and the Army has now revised that, and it should have been a slightly different figure, but at the time, $8435 was the correct figure, as best as anybody knew, so let me use that.

A Okay, we'll make that assumption.

Q You indicated earlier when I asked you who did you think would have been familiar with the fact that a basic TOW when modified with the MOIC changed the national stock number and changed the price, and you said you thought Mr. Williams would have; Mr. Leachman would have; Colonel Lincoln you said, "I would think so."

A. I would think so, yeah.

Q. With whom do you recall specifically discussing the price of $8,435, if anyone, as to any of these shipments?

A. Okay, to be honest--

Q. Or with regard to the third shipment, the $8164?

A. In the discussions that I had with project people, we were focusing primarily on the shipment, per se, without regard to price. What we're talking--primarily about availability and this sort of thing. I don't think that any of us at the time discussed price. If we did, I don't recall it.

Q. All right, so, your testimony would be that as to Colonel Lincoln, you don't recall any discussions that you had about whether the price should be $3469 or $8435.

A. I didn't have any conversations of that sort.

Q. Would your answer be the same as to Mr. Leachman?

A. Yes, it would.

Q. As to Mr. Williams?

A. Yes.

Q. As to General Burbules?

Q. [laughter]

Q. I have to ask for the record. Maybe you didn't talk with General Burbules.

A. I didn't talk with General Burbules.

Q. So, the answer is no.

A. I did not talk to him regarding the price.

Q. I think you said this, in looking at the exhibits which reflect the materiel release order that you prepared, that the $8435 price was there on the first two, and it would be your best recollection that that would be the correct price according to the AMDF for the basic TOW.

A. I feel that it would.

Q. Did anyone ever tell you that, "We would not use that price," meaning that any involvement you had with these shipments should not reflect the price of $8435 or of $8164 but some lower price?

A. I had no discussions with any individual in that manner, no.

Q. All right. Let me refer, to refresh myself, to your sworn testimony to the Department of the Army IG and see if there's anything else I want to further explore.

A. Sure.

Q. Now, you mentioned a meeting that took place in January--

A. Mm-hmm.

Q. --earlier in your testimony to us.

A. Right, mm-hmm.

Q. You talked about that at your testimony to the Department of the Army IG, which you provided your sworn statement on 29 December '86, and you were asked if all of the people at that meeting would have been familiar with the TOW missile and would be knowledgeable of what was meant when you were talking about a 2507 versus a 1512, and you said--

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A. The different configurations, yeah.

Q. And you said that you thought that they would be, is that a fair statement now?

A. I hope that I said that because I certainly feel that all these people we're talking about would have been aware.

Q. All right, sir. When it came time to actually prepare the first shipment of 1,000 TOWs--

A. Mm-hmm.

Q. --who gave you that task? Who told you to prepare the MRO?

A. Mm, that's a toughy. Now, that was in January of '86. If I recall, there was another meeting in building 5250, and if I recall, it was in the EOC room, what we call--you know, EOC, the emergency operations center, and Mr. Finafrock--

Q. Spell that, please.

A. F-i-n-a-f-r-o-c-k.

Q. And who is he?

A. I believe he's the deputy chief of the Missile Log Center. Mr. Isom was the deputy.

Q. I-s-o-m?

A. I-s-o-m, right, and he and I attended a meeting in building 5250 to lay out some of the strategy and to firm up all the loose ends regarding the shipment, so I would say that Mr. Finafrock, after conversations with key project personnel--I happened to be there, too, but technically, he would have been the one that I took my direction from.

Q. Building 5250, is that where the emergency operation center

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was located?

A. Yes, it is.

Q. And your best recollection, then, would be the actual tasking of, "Okay, we're ready to ship 1,000 missiles," would have come from Mr. Finafrock?

A. Indeed.

Q. And would he have specified the stock number or the particular missile we were shipping?

A. Technically, I don't think that Mr. Finafrock would have been familiar with all the different configurations, nor would I have expected him to be, but my action there would have been to ship those missiles that had been determined to be the ones to ship, that determination being made by the project office.

Q. Let me read you what you were asked at this point and what your statement was and see if this refreshes you.

A. Sure.

Q. You were asked this question, quote: "Who called you from the PM TOW?" unquote, meaning the project manager TOW office.

A. Mm-hmm.

Q. Answer, quote: "It was very likely Mr. Leachman," unquote. Question: "It was probably Mr. Leachman? Had he told you to prepare 1,000, to cut a MRO on the thousand of the 1512s, and how was it expressed?" unquote. Answer, quote: "The best that I recall, that was specifically the guidance," unquote. Now, does that refresh you in any way? Do you think you got a call from Mr. Leachman to prepare?

A. Well, even if I did--I possibly did, and that was what? six, eight months ago, so I may have had a little bit more clear memory of what happened, but even so, and I may have thought this out at the time, there were other little get-togethers, other meetings, but projects certainly would have been issuing guidance, but, at the same time, I was talking to Mr. Finafrock.

Q. I think your statement is consistent because as I read, what follows is that you said a day or two later was when the meeting in the EOC, the emergency operations center, was held--

A. Okay.

Q. --and that when Leachman called, you were prepared to cut the MRO, but you didn't actually cut it until after this meeting was held.

A. Right.

Q. So, I think that's consistent.

A. That's correct. That's very true.

Q. Now, in terms of how the MRO got communicated to Anniston Army Depot, you recall that the GAO investigator had written at the bottom of the computer card that Miss Griffin got this information from John Coward, and I asked you whether you provided it by telephone, and you thought not, and it may very well be that that's correct, and let me read you a statement here and see if this makes it all make sense.

A. Okay. Go ahead.

Q. You stated, and I quote, "I met with Mr. Tucker"--let me ask, by the way, who Mr. Tucker is.

A. Well, he's our division chief.

Q. What's his first name?

A. Bobby.

Q. Okay. Quote, "I met with Mr. Tucker to determine how we would best get this to the depot, either by phone or by mail or by transceiver." You were interrupted, and then you state, continuing to quote, "To the best of my recollection, it was called out," unquote. Question, quote: "Telephonically?" unquote. Answer: "Telephonically," end quotes, so it would sound like that somebody phoned this down to Anniston Army Depot. It may have been you; it may have been Mr. Tucker, or it could be someone else.

A. Let me shed a little light on that. It's funny how you--how one or two statements ~~made~~ may spark your memory. I recall the very day now that this happened. I was at home. I was called out here after hours--well, I think I'd gone home early and got called back. I stayed in the other building, which would be the stock control, where stock control is located, building 5678. I stayed there to make sure that the call out was properly made. While I was still there, the chief of ammunitions storage called back into this area where--

Q. Chief of ammunitions storage at the depot?

A. At the depot, right. That would have been Dale Yarbrough, if it means anything. I happened to still be there because, like I say, I just wanted to make sure that everything went by without a hitch. His question to me was--he asked to speak to me. He said, "We have this MRO that's been called in. It's got the wrong stock number," and my reply to him was, "If you're prepared to ship anything other than the stock number ending in 1512, you're wrong," so someone may have thought that I was calling in the requisition, but I certainly didn't.

Q Why did he tell you that you had the wrong stock number?

A He was of the impression that we were going to ship the old standard range, unmodified.

Q Just the basic TOW?

A Right. I'm not sure why he had that idea.

Q Did you ask him?

A I don't--I can't recall that. Now, that's--that's a detail that I don't remember. I just proceeded to inform him that I had been in a meeting and that I was absolutely certain that the round with the MOIC applied is what we wanted.

Q And what was your basis for making that statement to him? What was the basis of your understanding with regard to the 1512?

A Well, I had been in several meetings, and, you know, as I mentio earlier, in project office where I knew we weren't going to ship standard range unmodified.

Q And who was in those meetings with you?

A Well, the first meeting, George Williams, Chris Leachman, Gary Michael, I believe was there--

Q Spell the last name.

A M-i-c-h-a-e-l. I think that's right--and possibly Les Alkenburg; I wouldn't say for certain.

Q Spell Alkenburg.

A. A-l-k-e-n-b-u-r-g, I believe.

Q. So, you very clearly understood that we were talking about the 1512, the basic TOW with MOIC?

A. I locked in on that because I certainly would not have wanted to ship anything but the proper item.

Q. And your sense is that Mr. Williams, Mr. Leachman, clearly knew that's what we were talking about here.

A. We discussed this. It was clear to everyone present that that would be the item shipped.

Q. When was the 71A2 created as a separate missile in the inventory and in the AMDF?

A. Well, that's a hard one. From memory, I would say that it was in some part of fiscal '83. That could be verified from records, but--

Q. You told the Department of the Army IG it was about 1983, so that would sound right, and it at that time became a standard Army item, is that correct?

A. Mm-hmm. All the necessary paperwork was processed to get it into the AMDF, and certain forms have to be filled out, and certain things have to be done in order to get stock number assigned. All of those things were put into motion so that at or about that time, it became a new item in the Army AMDF.

Q. And if people knew that it was added as a new item--well, let me put it this way. Who would have known it was added as a new item? The people in the TOW project office?

A. Well, certainly the project people. As far as I know, this was a project initiated, development, in conjunction with DA, possibly TRADOC.

Q. Was there a separate assembly line set up at Anniston Army Depot to put those MOICs on in 1983?

A. Yes, there was.

Q. Do you recall who from Redstone had any involvement in setting that up?

A. Yes, I do. At project level, John Troy, T-r-o-y, since retired, and then on the maintenance side of the house, Lee Bittle, B-i-t-t-l-e, since retired, and several of us were on TDY, including myself; I was there.

Q. Do you know if Mr. Leachman ever physically went down and had any involvement with the setting up of that assembly line?

A. I couldn't answer that. I don't know.

Q. Mr. Coward, I think that's about all the questions that I've got. Can you think of anything that I've not covered that I should go over with you or we should discuss?

A. Not--not immediately. I can't think of a thing.

Q. Do you recall anyone in this process ever raising the issue that the figures that showed up on the MROs that you cut or that showed up on any transfer documents that came from Anniston Army Depot weren't the right ones, that they were too high, that the lower figure should be used?

A. You mean with regard to price?

Q Right.

A I don't recall that that ever came up. This is the first time, to my knowledge, that I've heard that the depot arrived at a figure for the extended range that should have been applicable to the basic with MOIC.

MR. SAXON: Well, sir, let me simply say that, for the record, we appreciate very much your making yourself available, coming out of retirement and coming back to see us, and we appreciate your cooperation, appreciate your testimony.

WITNESS: It's my pleasure to be here.

[Whereupon, at 2:35 p.m., August 10, 1987, the taking of the deposition was concluded.]

N 9229
28 JUN 86

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THRU: DRSMI -
DRSMI -
TO: DRSMI -

FROM: DRSMI - L-MA-L
ITEM MANAGER'S ANAL-CD A44

DATE: 27 Jun 86
PHONE: 2-4115

DOCUMENT IDENT	ROUTING IDENT	M&S	NATIONAL STOCK NUMBER	UNIT OF ISSUE	QUANTITY
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cc 1–3	cc 4–6	cc 7	cc 8–22	cc 23–24	cc 25–29

DOCUMENT NUMBER

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cc 30–35	cc 36–39	cc 40–43	cc 44	cc 45–50	cc 51	cc 52–53	cc 54–56	cc 57–59	cc 60–61

REQ. DEL. DATE	ADVICE CODE	DEPOT RIC FROM	PURP. CODE	COND. CODE
029		BAD	A	A
cc 62–64	cc 65–66	cc 67–69	cc 70	cc 71

IN-THE-CLEAR ADDRESS (Ship To)

	PURP. CD. TO	EDIT ACTION		ANAL. CODE (DRSMI-SC)
D	5	A7		
cc 72	cc 73	cc 74–75	cc 76–77	cc 78–80

ADDITIONAL INFORMATION

Declassified/Released on 30 July 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

UNIT PRICE $8435

EXCEPTION DATA
☐ APPROVED
☐ DISAPPROVED

JUSTIFICATION FOR TELEPHONE IPD 01–03 MRO (CHECK APPROPRIATE BLOCK)

☐ NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.
☐ NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.
☐ NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIEL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.
☐ EMERGENCY REQUIREMENTS FOR MEDICAL AND DISASTER SUPPLIES.
☐ REQUISITION CONTAINS PRIORITY 01–03 IN COLUMNS 60–61 AND CODE 999 IN CARD COLUMNS 62–64.

☐ APPROVED ☐ DISAPPROVED

☐ OFF-LINE

MATERIEL ON RECORDS ☑ DEPOT ☑ MIRCOM

DEPOT CONTACT: K. T.

PHONE-EXT. 4113

NOTE: PRIORITIES 01 THRU 08 WILL BE ROUTED THRU DRSMI-SS TO DRSMI-SC.
PRIORITIES 09 THRU 15 WILL BE ROUTED DIRECTLY TO DRSMI-SOC.

ASSIGNED PRIORITY:
☑ APPROVED
☐ DISAPPROVED

DATE	SIGNATURE OF APPROVING AUTHORITY
28 Jun 86	

DRSMI-S FORM 66, 1 AUG 77 PREVIOUS EDITION IS OBSOLETE

EXHIBIT P-5

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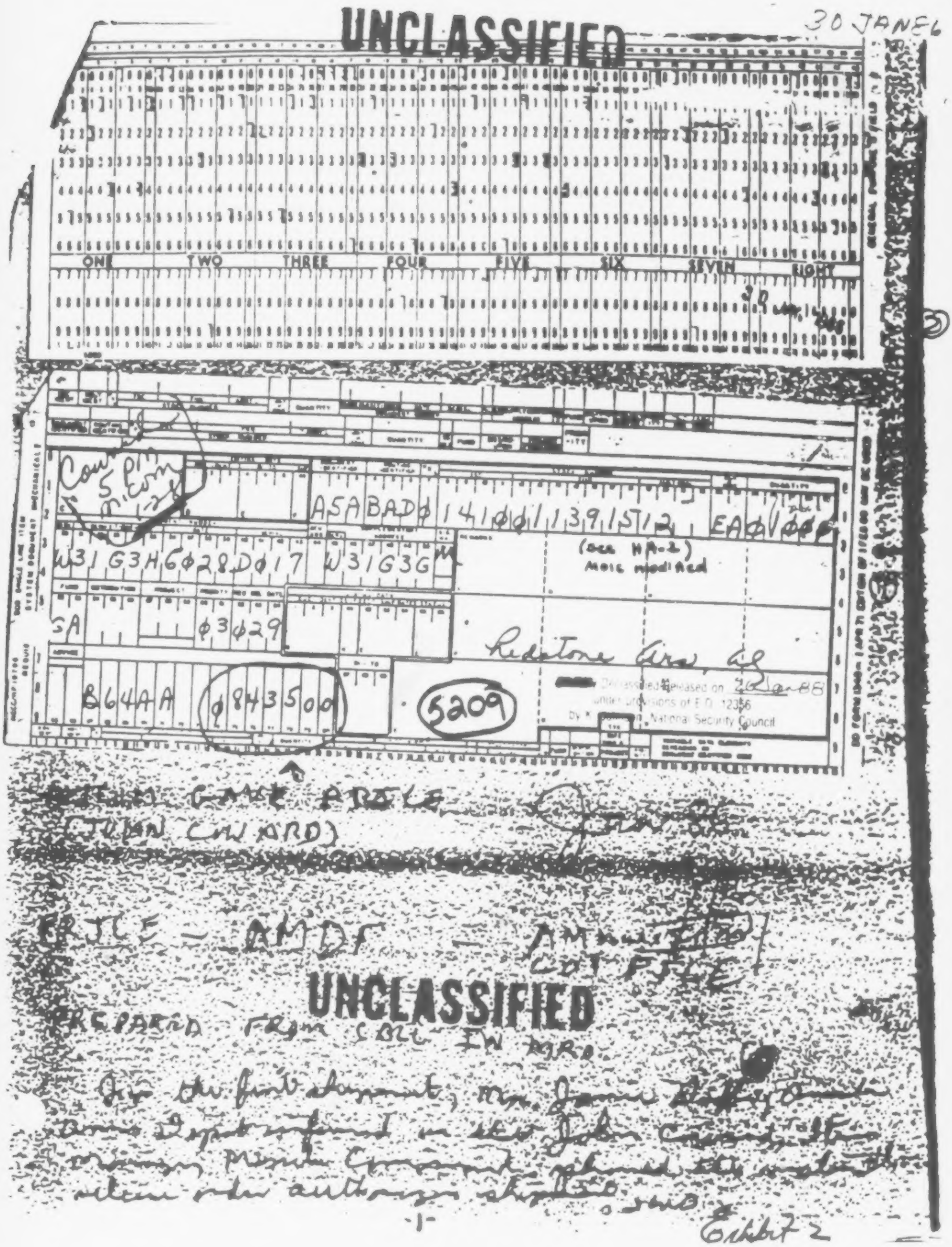
3118



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30 JAN 86

ONE TWO THREE FOUR FIVE SIX SEVEN EIGHT

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W31G3H6028D017 W31G3G M

(see HR-2)
Msic modified

SA 03029

Redstone Ars, AL

B64AA 0843500

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[redacted] Declassified/Released on 26 Jan 88
under provisions of E.O. 12356
by K [illegible], National Security Council

[illegible] GAME FILE
(JOHN COWARD)

FILE – AMDF – [illegible] CDT FILE

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PREPARED FROM SBL EW MRO

For the first shipment, Mr. James [illegible] [illegible] Depot informed [illegible] John [illegible] [illegible] Missile Command [illegible] [illegible] authorization [illegible]

Exhibit 2

30 JA-86

6 00110

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PPD 029           TP 1                                   DOT PLACARD EXPLOSIVE A        DOT PERM T
W31G17 ANNISTON ARMY DEPOT  FGA                          DOT CLASS   CLASS A EXPLOSIVES                CG CLASS X-C
ANNISTON,ALABAMA 36201-5                                 R M GRAZIANO                 RIL AIR 9-55
                                  RRP ADDRESS            FIRE FIGHT INSTR GP 4  TRANSIT IN STG
                                  W31P38                 OUTLOAD DWG NO               PSC 2   SHIP DOD 5100.76M
                                  US ARMY MISSILE COMMAND     RELEASE REQ NO         RELEASE NO
W31G3G TRANSPORTATION OFFICER     TRANS OFF                   TYPE SIZE EQUIP ORD            FURNISH
US ARMY MISSILE COMMAND           REDSTONE ARSENAL AL 35898   CARRIER INITIAL AND SERIAL NO    DATE
TRANS OFF                                                     PALLET WT       DUN WT           WT
REDSTONE ARSENAL, ALABAMA 35898                               CONEX WT        SEAL NO          HOLD DELAY
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                                      SHIP                   TOTAL
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***************************************************************************************************************************
*DIC* CONT NO   * SHIP *CMDTY*AD*POE*POD* NO TP *       TCN        * ADD  *P*ROD*POD*  DS   *ET* TAC* PIECES *  WEIGHT  *  CUBE  *AO

SELECT FROM SERVICEABLE STOCK              ADMINISTRATIVE CLEARANCE
WITH CORRECT & LEGIBLE MARKINGS.           NO INSPECTION CONDUCTED. (  )              SURVEILLANCE CLEARANCE
MARK, BAND, PALLETIZE, TAG &                                                          SUSP. ARMY (  )  NAVY (  )  AF
PLACARD AS REQUIRED. (  )                                                             CONDITION CODE-
                                                                                      DATE-

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                                                                                      REMARKS __________________
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by B. Reger, National Security Council

Paperwork Typed

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30 JAN 86
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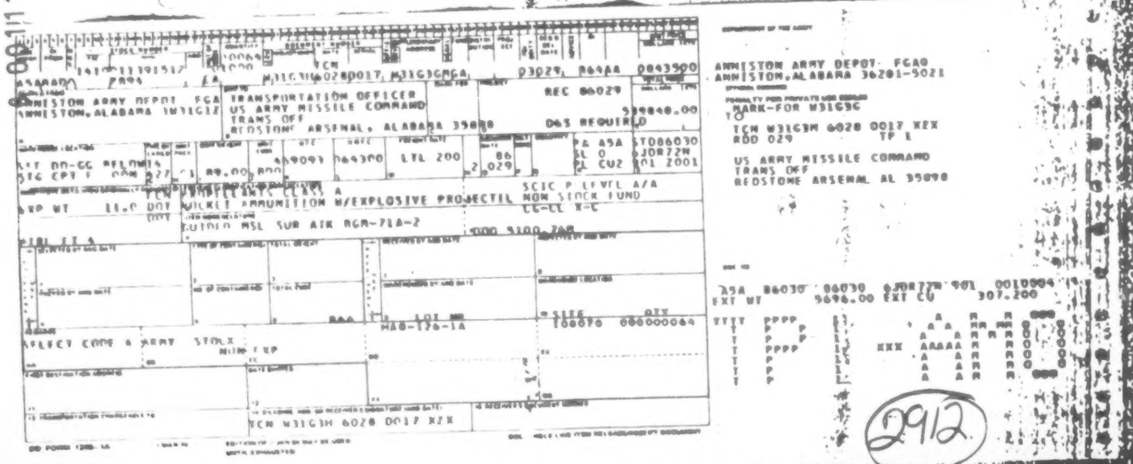

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DEPARTMENT OF THE ARMY
ANNISTON ARMY DEPOT FGAO
ANNISTON, ALABAMA 36201-5021
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300
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TO
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REDSTONE ARSENAL AL 35898

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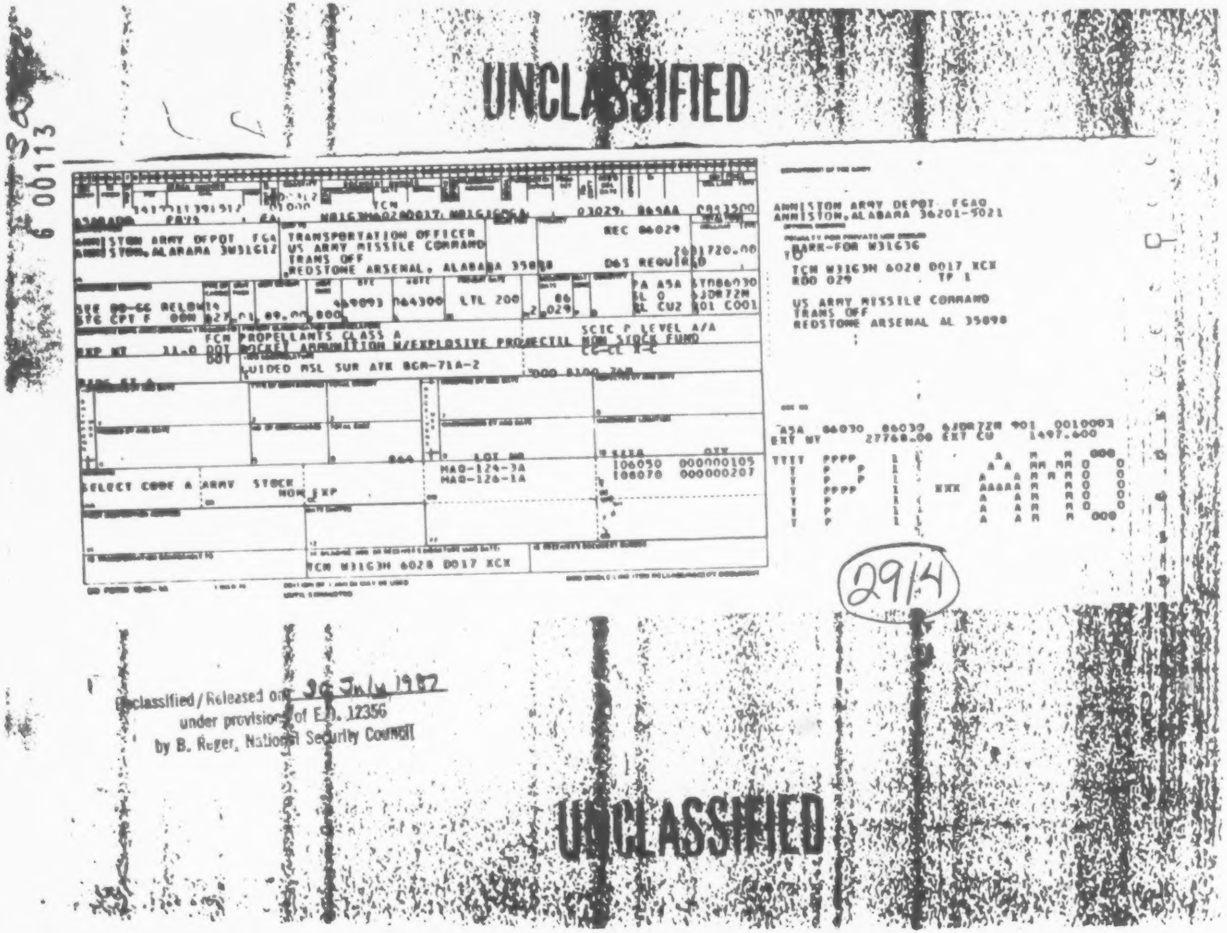

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ANNISTON ARMY DEPOT FGA
ANNISTON, ALABAMA 3W31G12

TRANSPORTATION OFFICER
US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL, ALABAMA 35898

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DOT GUIDED MSL SUR ATK BGM-71A-2

SCIC P LEVEL A/A
NON STOCK FUND
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MAO-126-1A

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DEPARTMENT OF THE ARMY

ANNISTON ARMY DEPOT FGAO
ANNISTON, ALABAMA 36201-5021

TO
MARK-FOR W31G36
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US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL AL 35898

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30 JAN 86

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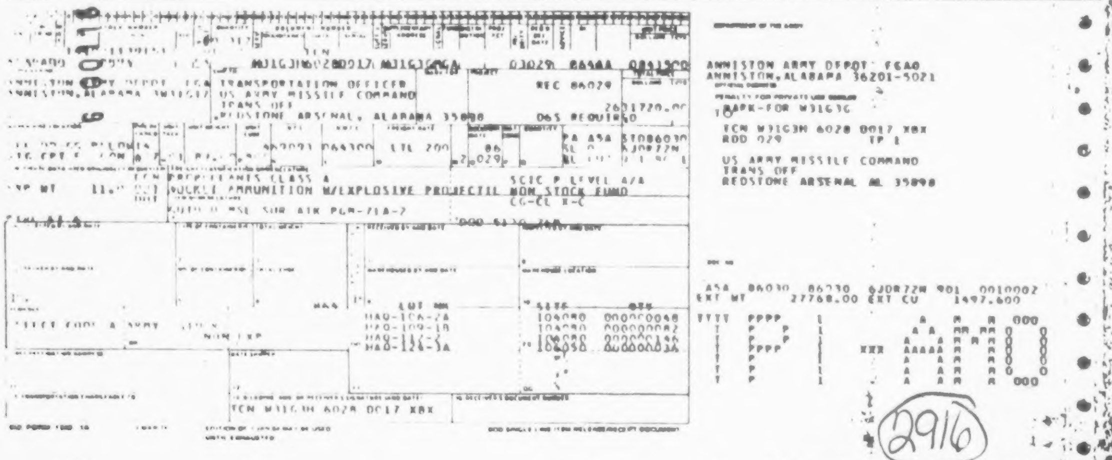

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TRANSPORTATION OFFICER
US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL, ALABAMA 35898

REC 86029

2601720.00

DGS REQUIRED

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PROPELLANTS CLASS A
ROCKET AMMUNITION W/EXPLOSIVE PROJECTIL NON STOCK FUND

SCIC P LEVEL A/A

CG-CL X-C

GUIDED MSL SUR ATK PGM-71A-2

NON EXP

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HAO-124-3A	104080	000000034

TCN W31G3M 6028 D017 XBX

DEPARTMENT OF THE ARMY

ANNISTON ARMY DEPOT FGA0
ANNISTON, ALABAMA 36201-5021

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE

TO MARK-FOR W31G3G

TCN W31G3M 6028 D017 XBX
RDD 029 TP 1

US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL AL 35898

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EXT WT 27768.00 EXT CU 1497.600

TP1 - AMO

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32 JAN 8

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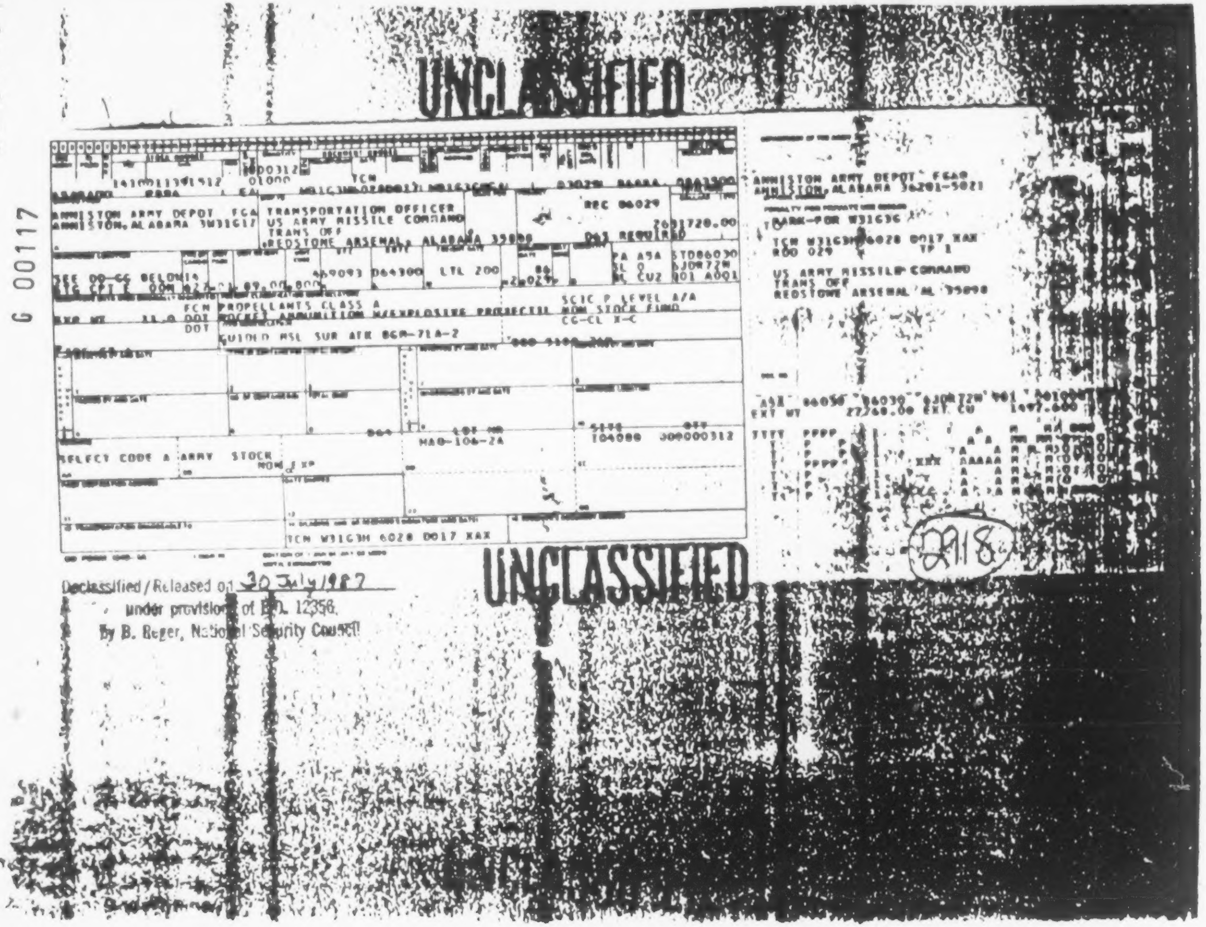

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ANNISTON ARMY DEPOT FGA
ANNISTON, ALABAMA 3W31G17

TRANSPORTATION OFFICER
US ARMY MISSILE COMMAND
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REDSTONE ARSENAL, ALABAMA 35000

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FCN PROPELLANTS CLASS A
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DOT GUIDED MSL SUR ATK BGM-71A-2

SCIC P LEVEL A/A
NON STOCK FUND
CG-CL X-C

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SELECT CODE A ARMY STOCK
NON EXP

TCN W31G3H 6028 D017 XAX

UNCLASSIFIED

ANNISTON ARMY DEPOT FGAO
ANNISTON, ALABAMA 36201-5021

MARK-FOR W31G3G

TCN W31G3H 6028 D017 XAX
ROO 029 TP 1

US ARMY MISSILE COMMAND
TRANS OFF
REDSTONE ARSENAL AL 35898

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EXT WT 27760.00 EXT CU 1497.600

2918

Declassified/Released on 30 July 1987
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UNCLASSIFIED 1st Shipment D 9251 16 MAY 86

2 Dup REQUEST FOR SUPPLY ACTION

THRU: DRSMI - LC-MM-L
DRSMI - LC-MM
TO: DRSMI - LC-MM-DC

FROM: DRSMI - LC-MM-LST
ITEM MANAGER'S ANAL-CD M44

DATE 16 May 86
PHONE 6-4185

DOCUMENT IDENT	ROUTING IDENT	M&S	NATIONAL STOCK NUMBER	UNIT OF ISSUE	QUANTITY
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cc 1-3	cc 4-6	cc 7	cc 8-22	cc 23-24	cc 25-29

DOCUMENT NUMBER									
REQUISITIONER	DATE	SERIAL	DEMAND CODE	SUPPLEMENTARY ADDRESS (Ship To)	SIG CODE	FUND CODE	DIST CODE	PROJECT CODE	PRIORITY CODE
W 3 1 G 3 H	6136	D010		W31E36	M	EP			03
cc 30-35	cc 36-39	cc 40-43	cc 44	cc 45-50	cc 51	cc 52-53	cc 54-56	cc 57-59	cc 60-61

REQ DEL. DATE	ADVICE CODE	DEPOT RIC FROM	PURP. CODE	COND. CODE
139		BAD	A	N
cc 62-64	cc 65-66	cc 67-69	cc 70	cc 71

	PURP. CD TO	EDIT ACTION		ANAL. CODE (DRSMI-SD)
		A7		
cc 72	cc 73	cc 74-75	cc 76-77	cc 78-80

IN-THE-CLEAR ADDRESS (Ship To)

ADDITIONAL INFORMATION

UNIT PRICE $8435

EXCEPTION DATA
☐ APPROVED
☐ DISAPPROVED

JUSTIFICATION FOR TELEPHONE (PD 01-08 MRO (CHECK APPROPRIATE BLOCK)

☐ NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.
☒ NECESSARY TO MEET SCHEDULED DEPLOYMENT [illegible] FOR AN OPERATION FORCE.
☐ NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIEL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHEN IT IS NECESSARY TO MEET A COMMITMENT DT.
☐ EMERGENCY REQUIREMENTS FOR MEDICAL AND [illegible] SUPPLIES
☐ REQUISITION CONTAINS PRIORITY 01-03 [illegible] AND CODE 999 IN CARD COLUMNS 62-64

☐ APPROVED ☐ DISAPPROVED

☑ OFF-LINE

MATERIEL [illegible] ☑ DEPOT ☑ [illegible]

DEPOT CONTACT: [illegible] A Cavalian

PHONE-EXT. 694-4315

NOTE: PRIORITIES 01 THRU 08 WILL BE ROUTED THRU DRSMI-SS TO DRSMI-SD.
PRIORITIES 09 THRU 15 WILL BE ROUTED DIRECTLY TO DRSMI-SDC.

ASSIGNED PRIORITY:
☑ APPROVED
☐ DISAPPROVED

DATE

SIGNATURE OF APPROVING AUTHORITY

Declassified/Released on 30 July 81 under provisions of E.O. 12356 by [illegible], National Security Council

[illegible] FORM [illegible], 1 AUG 77 PREVIOUS EDITION IS OBSOLETE

EXHIBIT P-17

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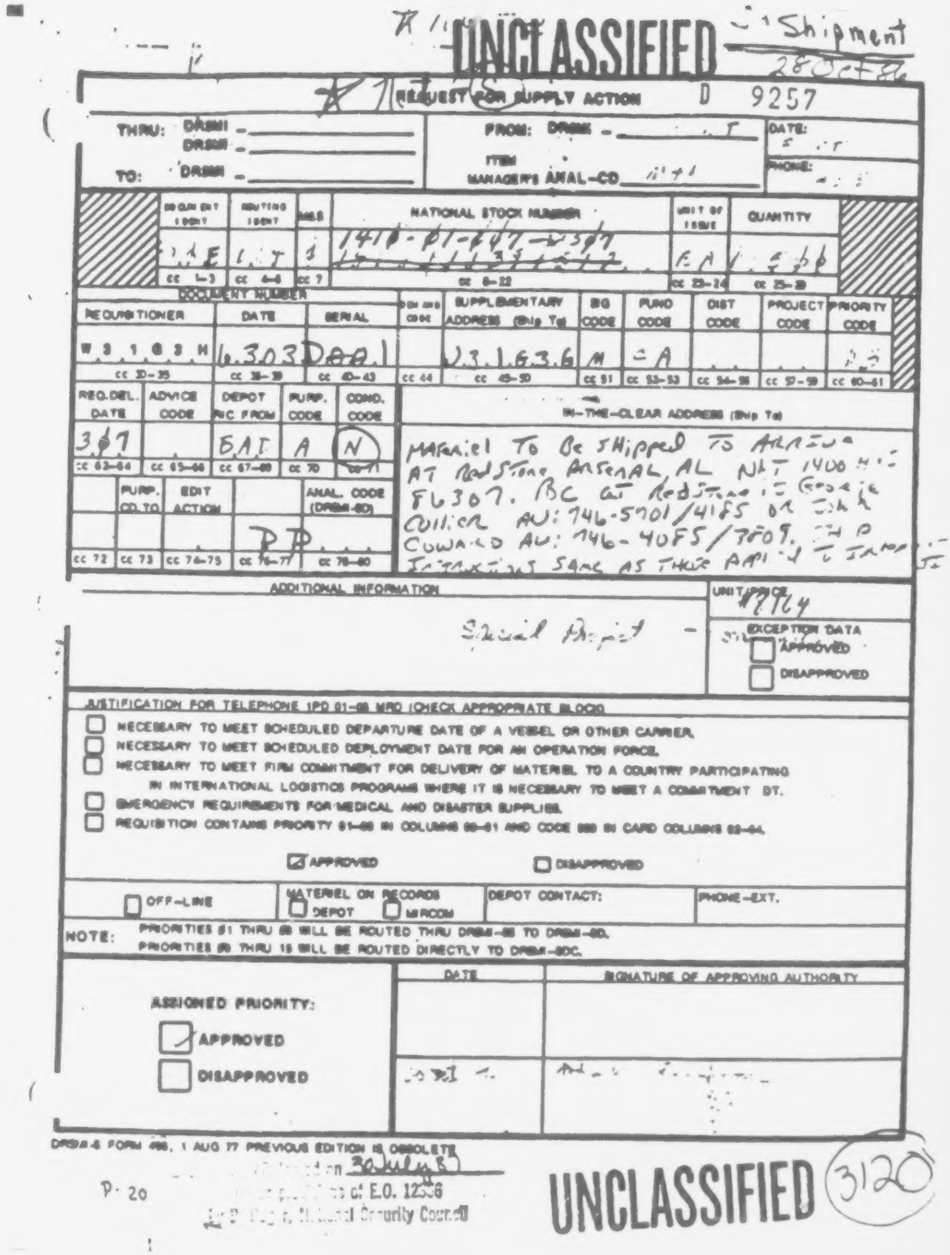
3119



UNCLASSIFIED

Shipment
28Oct86

REQUEST FOR SUPPLY ACTION D 9257

THRU: DRSMI -
DRSMI -
TO: DRSMI -

FROM: DRSMI - [illegible] T
ITEM MANAGER'S ANAL-CO [illegible]

DATE: [illegible]
PHONE: [illegible]

DOCUMENT IDENT	ROUTING IDENT	M&S	NATIONAL STOCK NUMBER	UNIT OF ISSUE	QUANTITY
A E	L T	[illegible]	1410-01-[illegible]	EA	[illegible]
cc 1-3	cc 4-6	cc 7	cc 8-22	cc 23-24	cc 25-29

DOCUMENT NUMBER

REQUISITIONER	DATE	SERIAL	DEMAND CODE	SUPPLEMENTARY ADDRESS (Ship To)	SIG CODE	FUND CODE	DIST CODE	PROJECT CODE	PRIORITY CODE
W31G3H	6303	DAA1		V31G36	M	A			[illegible]
cc 30-35	cc 36-39	cc 40-43	cc 44	cc 45-50	cc 51	cc 52-53	cc 54-56	cc 57-59	cc 60-61

REQ. DEL. DATE	ADVICE CODE	DEPOT RIC FROM	PURP. CODE	COND. CODE
307		BAI	A	N
cc 62-64	cc 65-66	cc 67-69	cc 70	cc 71

	PURP. CD. TO	EDIT ACTION		ANAL. CODE (DRSMI-SD)
			PP	
cc 72	cc 73	cc 74-75	cc 76-77	cc 78-80

IN-THE-CLEAR ADDRESS (Ship To)

Materiel To Be Shipped To Arrive
At Redstone Arsenal, AL NLT 1400 [illegible]
8 Oct 87. BC at Redstone is George
Collier AV: 746-5701/4185 or John
Coward AV: 746-4085/3809. [illegible]
Instructions Same As Their Appl [illegible]

ADDITIONAL INFORMATION

Special Project -

UNIT PRICE [illegible]

EXCEPTION DATA
☐ APPROVED
☐ DISAPPROVED

JUSTIFICATION FOR TELEPHONE IPD 01-08 MRO (CHECK APPROPRIATE BLOCK)

☐ NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.
☐ NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.
☐ NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIEL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.
☐ EMERGENCY REQUIREMENTS FOR MEDICAL AND DISASTER SUPPLIES.
☐ REQUISITION CONTAINS PRIORITY 01-08 IN COLUMNS 60-61 AND CODE 999 IN CARD COLUMNS 62-64.

☑ APPROVED ☐ DISAPPROVED

☐ OFF-LINE

MATERIEL ON RECORDS
☐ DEPOT ☐ MIRCOM

DEPOT CONTACT:

PHONE-EXT.

NOTE: PRIORITIES 01 THRU 08 WILL BE ROUTED THRU DRSMI-[illegible] TO DRSMI-SD.
PRIORITIES 09 THRU 15 WILL BE ROUTED DIRECTLY TO DRSMI-SDC.

ASSIGNED PRIORITY:
☑ APPROVED
☐ DISAPPROVED

DATE	SIGNATURE OF APPROVING AUTHORITY
[illegible]	[illegible]

DRSMI-S FORM 490, 1 AUG 77 PREVIOUS EDITION IS OBSOLETE

[illegible] on 30July87
[illegible] provisions of E.O. 12356
by B. Reger, National Security Council

P-20

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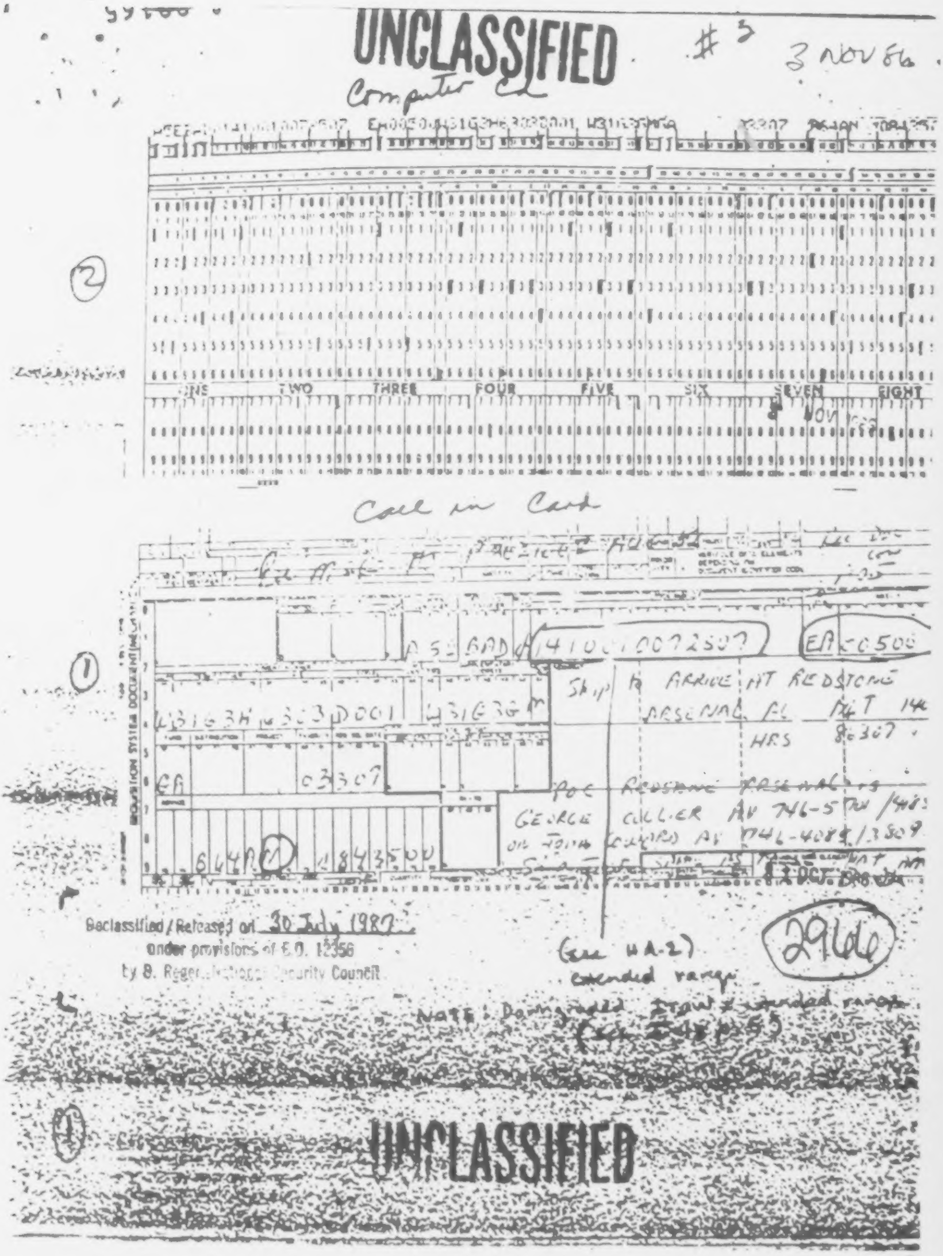
3120



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Computer Ed

ONE TWO THREE FOUR FIVE SIX SEVEN EIGHT

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Call in Card

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43163H 303D001 43163G

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Ship to Arrive at Redstone Arsenal, AL NLT 1400 HRS 8 307

POC Redstone Arsenal is George Culler AV 746-5 /4835 or John Edwards AV 746-4085 /3809

Declassified / Released on 30 July 1987

under provisions of E.O. 12356

by B. Reger, National Security Council

(see #A-2)

extended range

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Note: Downgraded TOW extended range

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ANNISTON ARMY DEPOT
ANNISTON, AL 36201

TO

USA MISSILE COMMAND
INSTALLATION SUPPLY ACT ACCT
REDSTONE ARSENAL, AL 35898-5000

TCN W31G3M6303D001 XSX
TP 1 RDD 307

DUNNAGE 450 #
PALLET WT. 1000 #

9 PALLETS @ 12 contre
1 PALLET @ 9 cntre.

Declassified/Released on 30 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

2970

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STENOGRAPHIC MINUTES
Unrevised and Unedited
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Duplication

~~TOP~~
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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

3619

Partially Declassified/Released on 18 AUG 87
under provisions of E.O. 12356
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DINKEL

AS

DEPOSITION OF
CRAIG P. COY

Select Committee to Investigate
Covert Arms Transactions with
Iran,
U.S. House of Representatives,
Washington, D.C.

Tuesday, March 17, 1987

The deposition convened at 10:05 a.m. in Room 328, The Capitol.

Present: Neil Eggleston, Deputy Chief Counsel, House Select Committee to Investigate Covert Arms Transactions With Iran; George Van Cleve, Chief Minority Counsel, Select Committee to Investigate Covert Arms Transactions With Iran.

Also Present: C. Dean McGrath, Jr., Associate Counsel to the President.

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MR. EGGLESTON: Would you swear the witness?

Whereupon,

CRAIG P. COY

having been first duly sworn, was examined and testified as follows:

MR. EGGLESTON: Can we go off the record for a second?

(Discussion off the record.)

MR. EGGLESTON: My name is Neil Eggleston. I am Deputy Chief Counsel of the House Select Committee to Investigate Covert Arms Transactions With Iran.

Also present is George Van Cleve, Chief Minority Counsel.

Mr. McGRATH. If I may add at the outset, Mr. Coy is here absolutely voluntarily of his own accord and wishes to cooperate in every way he can with this investigation as he has done since the outset and it is my understanding that these proceedings are at a top secret level and any discussions and the record of this will be classified accordingly?

MR. EGGLESTON: That is correct. That was the rest of my preamble which is to anyone who may be reading this deposition after we take it, it is classified. It may be the names of individuals, programs, various things which are classified.

Anyone who reads it should take care to make sure that classified material is not revealed.

EXAMINATION

BY MR. EGGLESTON:

Q Mr. Coy, let me start by asking you some questions about your background, if I may. What is your date of birth?

A Date of birth is [redacted].

Q So you are 37 years old?

A Thirty-seven.

Q Where did you grow up?

A I grew up in a variety of locations. My father was a career Army officer. I moved all over the country and lived in Germany.

Q Where did you go to high school?

A Maryland, in Anne Arundel County, Anne Arundel High School.

Q Where did you -- have you been to college or the college equivalent?

A I went to the Coast Guard Academy, U.S. Coast Guard Academy in New London, Connecticut, and graduated in 1972 with a Bachelor of Science degree. Subsequently attended graduate school, Harvard Business School, received a MBA in May 1983.

Q I would just like to take you fairly quickly from

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1972 up through mid-1985, just generally.

A Say that again.

Q From 1972 up through mid-1985, if you could briefly summarize the various assignments or posts that you have had during those time periods.

A 1972 to 1985. Graduated from the Coast Guard Academy in June of 1972, went to San Francisco, served onboard a Coast Guard cutter, the Resolute. Left there -- you want exact dates?

Q No. Just best recollection. Approximate dates.

A About 18 months later, October, I think, 1973, somewhere in that time frame, went to Navy Flight School, Pensacola, Florida. Finished that and went to Coast Guard Air Station, North Bend, Oregon in January or February 1975. And stayed there until the summer of 1978, went to Coast Guard Air Station at Cape Cod, stayed there until August of 1981, attended Harvard Business School for two years, graduated in the summer of 1983; came down to Washington.

I was selected as a White House Fellow, worked in the White House in the Office of Policy Development. Went back to the Coast Guard, following my fellowship here, worked in an office on A-76, OMB Circular A-76, management improvemen efficiencies until June of 1985.

And I was sent over to work on the Vice President's Task Force for Combating Terrorism.

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Q Let me stop you there. During the -- could you just review with me again briefly, you were a White House Fellow in 1983?

A 1983, September 1983 until August or September 1984.

Q Where were you assigned during that time?

A In the Office of Policy Development. I worked for a man named Jack Svahn, S-v-a-h-n.

Q What were your duties there?

A Special Assistant. I handled a couple of different issues in a broad way. I looked at the budget process in the preparation of the Fiscal Year 1985, I guess, budget. I worked with the President's Commission on Industrial Competitiveness. I worked on some issues on Veterans Affairs and worked on some issues on Maritime Affairs.

Q What generally does that office do?

A Well, that office generally is the place in which policies, domestic policies, are brought into the White House and at the time there was a cabinet council system, with seven cabinet counsels, and the issues and the papers would be prepared and staffed and briefed and at cabinet level meetings and sub-cabinet level groups, would be coordinated and operated out of there.

Q When you returned to the Coast Guard, if I may quickly summarize, you were essentially in a management

~~TOP SECRET~~

finance type area?

A It was a management productivity improvement task force, and it was to complement the OMB Circular A-76.

Q Who did you report to there?

A A man named Captain Jim Butler.

Q There comes a time then in June of 1985 when you are assigned to the Vice President's Task Force on Terrorism?

A Yes.

Q I want to ask you a couple of questions about your involvement in that task force and I take it your involvement then -- with that task force, it goes from June of 1985 up until March of 1986?

A Right.

Q Who was in charge of that task force below the Vice President?

A The Executive Director of the task force was Retired Navy Admiral James Holloway.

Q How many people were there on the task force? How many professionals were there on the task force, not including secretaries, paralegals?

A You mean, the task force staff?

Q Yes.

A It would be nine.

Q Could you give us the names of the nine people on the staff?

A _ Executive Director was Admiral Holloway; Deputy Director was Ambassador Ed Peck. I was Admiral Holloway's Executive Assistant. Lieutenant Colonel Bob Earle, Captain Dave McMunn from the Navy, Captain Lou Boink from the Navy, Colonel Dave Cole from the Army, Lieutenant Colonel Pat Daly from the Air Force, and [redacted] from the CIA.

Q During the period of time you were working with the Vice President's task force, did you come to meet a man by the name of Donald Gregg, G-r-e-g-g?

A Yes.

Q What role did he have?

A He was the Vice President's national security advisor.

Q Did you meet Craig Fuller?

A Yes.

Q What was his position?

A He was the Vice President's Chief of Staff.

Q You indicated that Mr. Earle -- and obviously you later came to work with Mr. Earle when you went to the NSC -- was also involved in the Vice President's task force. Did you work directly with him?

A Yes. I worked directly. We all worked together.

Q Let me ask it a slightly different way. You indicat that you had a principal assignment as a special assistant.

A I was Executive Assistant to Admiral Holloway.

Q -- What was his title?

A He was the Executive Director of the Vice President' Task Force on Combatting Terrorism.

Q Mr. Earl, what was his title?

A I don't think he had a title. He was one of the professionals on the staff.

Q Was he -- pardon me for phrasing this in a colloquial fashion -- was he above you or below you in the reporting scheme?

A I am not sure how that fits with what you are going for. He is a Lieutenant Colonel. I was a Lieutenant Commander.

Q Which is higher?

A He is higher, but the organizational structure was that I worked as the Executive Assistant for Admiral Holloway.

Q Right.

A Essentially was the traffic cop on papers and handing out assignments. Admiral Holloway would like something done. We would divide it up, attempt to divide up the staff into areas of responsibility. So it was a very flat organization. It wasn't a hierarchy. I was, in terms of military rank, I was the junior guy on the whole staff.

Q You were?

A Yes.

Q Did you have an area of responsibility?

A My area of responsibility was Admiral Holloway's executive assistant.

Q Did Mr. Earl have a substantive area of responsibility?

A Yes. His area of responsibility as I recall was -- I guess I would call it -- first of all, one of his responsibilities was we tried to come up with a definition of terrorism because there was no accepted definition of terrorism. Earl was given that responsibility to try to craft a definition.

He was also given some responsibility for collating the resources. We had gone out to the various agencies and departments to try to get a handle on how much money, how many resources, how many people were involved in dealing with terrorism. So he worked on that project. He worked on the -- broader topics of terrorism.

Others, for example, would be one guy had public affairs. He was trying to keep track of what was said in public by experts and non-experts and anybody else that was out there.

We had a guy who was tracking legislation and what people in Congress were saying with regard to terrorism. We had another guy who was dealing with intelligence matters.

That was [redacted] and his function. Another guy was dealing with the military aspect, special forces, Boink was doing that. It was that type of thing.

Q Did the Vice President's task force' activities result in a report and recommendations?

A Yes.

Q Did any of the recommendations that were made by the Vice President's task force relate to the NSC?

A Yes.

Q Were there suggestions for changes in the NSC or changes relating to the NSC that came out of the report?

A Yes. There was a recommendation that suggested that the NSC staff be strengthened, as I recall the words. I would have to see the recommendation to get it for you exactly. It was to strengthen the staff in the coordination role of dealing with terrorism policy and terror matters.

It was felt that terrorism was a broad topic encompassing a wide variety of agencies and departments a there needed to be more man hours applied to it at the NS level.

Q Was there a recommendation for the creation of a separate directorate or anything like that inside the NSC to deal with terrorism matters?

A I would have to read the recommendations to tell you exactly what it recommended. But the gist of it would be that there would be an office for dealing with terrorism.

Q When did the Vice President's task force report come out, as you recall, approximately?

A We had a couple of different versions based on classification. The top secret version that went to the President was signed and delivered on December 20, I believe, just before Christmas, something like that.

And then we purged top secret and code word material out of that report and issued a secret version to all the agencies and departments. And then we re-crafted the entire report to make it more readable and take it out of the bureaucratic language that had resulted and put out a public report which came out either the latter part of February or the first part of March.

Q Did you go directly from the Vice President's task force to the NSC?

A Yes.

Q When is the first time that you met at any time during the course of your career Oliver North?

A I first met him when I was a White House Fellow working in the Office of Policy Development. He was on the NSC staff.

Q Did you have any substantive dealings with him at that time?

A It was very brief dealing. As I recall, it had something to do -- I think there was a 1984 crime bill, and there were some aspects of terrorism or something to do with crimes. My boss had said see what you can find out about what this means on some subject. I was given Ollie North's name as the person to go see.

Q Did you have dealings with Colonel North during the period of time you were with the terrorism task force?

A Yes.

Q Was he -- were those regular dealings?

A Not regular. The process we used was that we would call in officials in Government dealing with terrorism as well as people outside of Government and anybody else that had something to say about terrorism and ask them to give us their thoughts and ideas on how to deal with the problem.

He was one of the people that gave his perspective on the problem. In addition, he was the staff officer for material that was sent over to the NSC from the task force, so we dealt with him on that basis, as well.

Q During the period of time that you were working with the Vice President's task force, did you know what positi Colonel North held at the NSC?

A Yes. He was a Deputy Director for Political Militar Affairs.

Q Did you have an understanding who he reported to during this period of time now, I am asking, during the period of time you were at the Vice President's task force?

A I am not sure I knew or recall. I think at the time he reported through Fortier, down to Fortier.

Q Fortier was the Deputy?

A I think he was -- I think that was before he was the Deputy. I can't recall.

Q Let me ask you when did you first meet, if you ever did, Mr. McFarlane?

A Meet him? Or just -- what do you mean?

Q We will start with just meet him.

A I was a White House Fellow. He was a former White House Fellow. At a function of some sort. I guess I first met him or saw him when I was a White House Fellow and we were going on an overseas trip. He came in and met with us and briefed us.

Q Did you have any dealings with him when you were at the Vice President's task force?

A Personally?

Q Yes.

A No.

Q When did you first meet Admiral Poindexter?

A I suppose it was sometime during the task force. I can't remember specifically.

Q You didn't have any dealings with these people prior to the time you became involved at least as a White House Fellow?

A No.

Q Did Donald Gregg work -- I understand you testified that he was the Vice President's National Security Advisor. Did he -- was he active in working on the Vice President's task force?

A Yes. He was active. We had a process by which the task force was a cabinet level participant and then we set up a group we called senior review group, I think, which was just below the level of the cabinet officers. He participated at those meetings and he was also a point of contact for the Executive Director into the Vice President's Office on matters with the task force.

Q There were cabinet level people on the task force as well? The task force was composed of cabinet level people?

A That is what the task force was.

Q My next question is who were they, if you recall?

A It would be in the report, but it is the Vice President was the Chairman. Then it is virtually the entire cabinet, I guess.

Q That is sufficient. Just generally.

A I am sure there were some cabinet officers that weren't on it.

Q Do you recall approximately when it was in March of 1986 that you were assigned to work at the NSC?

A I think my records indicate the first of March.

Q How is it that you happened to be assigned to the NSC?

A The formal way it happened was that there was a letter that went over from the NSC to the Coast Guard requesting -- I think that is what it was. But the informal way in which it happened was there was a recommendation to strengthen the NSC staff with some people to coordinate the terrorism matters, and Admiral Holloway and Admiral Poindexter discussed this, in trying to find out who should and who shouldn't, where they should get the people. It was my understanding that they figured we had invested six months learning about the apparatus and the terrorism policy, et cetera, that somebody from the task force would make logical candidates.

Q Did -- there comes a time when Mr. Earl also begins working at the NSC. Did you arrive before or after or the same day as Mr. Earl?

A It was about the same time.

Q About the same time? Did you have an office when you first arrived?

A No.

Q Where did you house youreelf?

A We shared North's office for awhile and just --

we just didn't have an office. We shared.

Q There comes a time when Mr. North -- if you will pardon me, I will call everybody "Mr." -- there comes a time when Mr. North has a suite of offices. He is downstairs. There are two offices, you and Earl upstairs, secretaries downstairs. When does that take place?

A Roughly the end of May, the beginning of June, sometime about that time frame.

Q Do you remember the office number of the suite of offices?

A When we moved into?

Q Yes.

A 302, I believe.

Q Where were you before that when you were housed in Colonel North's own office?

A His old office was room number 392.

Q And you, North, and Earl were all three in his office?

A Yes. Kind of temporarily. We would sit on the couch or something.

Q That is what I was curious about. Did you have desks?

A No.

Q Did he have a secretary at that time?

A Yes.

Q One or more than one?

A Just one.

Q Who was that?

A Fawn Hall.

Q There comes a time when there are two secretaries?

A Yes.

Q And the second secretary's name is Barbara Brown?

A Right.

Q Does she arrive when the new suite is opened up?

A No. After that. I am getting August, but I might be wrong on that.

Q I have been in Colonel North's office, as it is -- a apparently it looked during the period of time. When I say "his office", his office in room 302. Could you compare the size of his office in 302 to the size of the office at the tim the three of you were in there?

I just want a sense of how big this room was that on a temporary basis ended up housing all three of you.

A Oh, it was very small. I am not very good at dimensions.

Q That is why I was just going to go on the basis of the office he had once he got to 302?

A The new office was bigger than the other office.

Q His own personal office was bigger than his old office?

A Yes.

Q And -- so you sat on the couch? There were no other desks for you?

A No.

Q I take it if he got phone calls you would sit there while he answered the phone?

A Depends. Sometimes we would. Sometimes he would ask us to leave.

Q If he had a meeting, I take it he met with people periodically during this time period?

A Get up and leave.

Q Did you always get up and leave if he had a meeting.

A Unless he asked me to stay, but that was very seldom.

Q But generally, if he had a meeting scheduled, you would get up and leave?

A Right.

Q Would he ask you to leave or would you just automatically leave?

A I just automatically would go. It is kind of an assumption that I would leave.

Q How about Mr. Earl? Did he automatically leave, as well?

A He would generally leave, too.

Q During the time period March through November 25 of 1986, to whom did Colonel North report?

A Say that again.

Q Well, if you have to break this down into time periods --

A I just want to make sure of the dates.

Q I said basically during the time of March 1986 through November of 1986, to whom did Colonel North report?

A That is --

Q Too broad?

A I think so. Because it was -- it depends on the subject, I guess, or how the process worked. But the way I would describe it --

Q Okay.

A -- and the way I followed it or tried to follow it was in memos, how memos went. Memos were prepared by -- it is my understanding -- virtually everybody on the staff. It would be from the officer to Poindexter or to the National Security Advisor and then there would be a series of clearances. The process would take the memo from the officer to the executive secretary through the deputy into the national security advisor.

Q Okay.

A I did not see or -- it was not my understanding that there was a direct chain of command, linkage between North and, say, Teicher or somebody else.

Q -- That is what I was going to ask you.

A Teicher was involved as the Director of the Political Military, but there was -- it wasn't from my perspective as a military guy a chain of command type of relationship.

Q Would it be fair to say that Mr. North operated his own directorate of political military affairs?

A I don't understand the question.

Q It is not your understanding that he reported, for example, to Mr. Teicher who at least on paper appeared to be the Director of Political Military Affairs? At least on paper, it appears that Colonel North is the Deputy Director, or during various periods of time was the Deputy Director.

I take it, though, it was not your understanding Colonel North reported to Mr. Teicher?

A Not in a -- I didn't view it myself as a formal way. I viewed it as a very -- NSC as being a very flat organization. Each officer had some area of responsibility or some function that they were responsible for and the way actions got handed out would be -- come from the executive secretariate, it would be an action that would go to some action officer, for example, North. Then on the action generating document, it would say who you are supposed to coordinate with to make sure that other people on the NSC staff are cognizant of what you are doing and that type of thing. So it was that type of arrangement.

Q Let me ask it this way. I understand that you didn't say the whole range of what was going on, but did Colonel North as Deputy Director of the Office of Political Military Affairs have a different type of relationship with Teicher than the deputy for some other directorate?

A I didn't view it was too different other than, you know, in personalities and forcefulness, what not. In terms o actual relationship, I didn't see, for example, Stark -- Jim Stark or anybody else in there having the formal mechanism either.

Stark had his areas of responsibility, and they work together. It was more -- seemed to be more of a collegial or flat process rather than a formal military type chain of command.

Q Were you involved in all the activities -- let me ask it in a different way.

Let me ask it this way: What was your principal area of responsibility when you were working at the NSC?

A Well, it was terrorism, that was my area of responsibility, and I subsequently had a sub-area, sub-specialty of maritime affairs, just because there was nobody on the staff that had any background in merchant marine affai They said why don't you do some of that. There wasn't really that much going on on that issue.

In terms of terrorism policy, I got involved in matters dealing with legislation, for example, the Omnibus Diplomatic Security and Anti-Terrorism Act, in the interagency process with that. In follow-up on the implementation of the Vice President's task force report, another project was overseas staffing levels. There was a study, a report going on with that.

Q Did you ever report -- did you ever report to Teicher or did you only report to North?

A No. I didn't report to Teicher. I worked with North

Q Did Mr. Earle have a different area of -- other than the maritime part, did Mr. Earle have different areas of responsibility than you did?

A Well, he, again, was -- he was put in the broad category of being responsible for terrorism.

Q Right.

A But he focused more on things dealing with intelligence and CIA and with the military aspects of the problem.

Q And you regarded your area as being more legislation?

A Yes. We didn't have a definitive break, but it was, as things would come in the door for action, we would kind of pick and choose which ones we wanted to, and which you had an interest--in. I had more interest in the budget and legislatio and those types of things, and he had more of an interest in the intelligence and military things. But all the actions came in with North as the action person.

Q The calls came in through North?

A Yes. Addressed to North.

Q And then North would assign them to either you or --

A Either assign them or they would come in and they would be in the in-box. You would find one that needed to get done and just let's get the job done.

Q When is the first you learned Mr. North was involved in negotiations sending arms to Iran?

A Would have been right before McFarlane's trip, two or three days before the McFarlane trip.

Q So through the time period March, April, and sort of into mid-May of 1986, you were unaware that he was involved?

A That is correct.

Q Did you have access to -- I take it you had a PROF, a computer with access to PROF?

A I don't think I did until I got into the new office.

Q That would have been late May or early June?

A I may have, but I don't recall. Because I didn't have a terminal of my own.

Q Did you have your own -- if you recall, prior to the time you moved into the new offices, did you have your own code words?

A Prior to?

Q Yes. By "code word", I mean code word to get into the PROF system.

A I don't think I had -- I don't think -- I don't know when I got into the system, but -- exactly. I don't think I had it before I got into the new office.

Q Were you authorized to read Colonel North's PROFs messages during this period of time?

A No. I couldn't log in. I didn't know his password.

Q It is conceivable that he would have given you -- and I take it this is not what happened, but it is conceivable he would have given you his password and said would you review my stuff and put on my desk ~~that~~ what you think is important. I take it that is not what happened?

A No.

Q Was there something called a crisis management center?

A Yes.

Q What was that?

A That was essentially a computer operation. Its agency or function was separate from the NSC. In other words, it was funded by DOD. Earl and I were administratively attached to the Crisis Management Center. We were told that we were attached there for administrative purposes because there were too many people on the NSC staff. They had a personnel limit type of thing.

We were attached to the Crisis Management Center. And their functions were to serve as analysts, computer experts. The idea being to build a system, computer based system that would aid decision makers in a crisis.

Q Where was that located physically?

Was there a particular place where the Crisis Management Center was located?

A Well, the office -- the head office was catty-corner and across the hall from our suite of offices, across from 302. It would have been 303 or something like that, I guess.

Q So when you first were brought into the NSC, you wer really brought in at least administratively if someone had looked at the payroll sheets or something, they would have seen you being attached to the Crisis Management Center?

A I think that is the way it was the entire time.

Q Who ran the Crisis Management Center? Who was the principal person?

A A guy named Captain Ron St. Martin.

Q Ron St. Martin?

A Yes.

Q -- Did you do any work for the Crisis Management Center?

A Not directly. If Ron asked me to do something, I would have done it.

Q You were not regularly doing work for the Crisis Management Center?

A No. It was my understanding we were assigned to the, with North to the terrorism business.

Q Did -- but Colonel North was assigned to the NSC, not to the Crisis Management Center?

A That is right.

Q How is it that you first learned that Colonel North was involved with negotiating with Iran concerning the sale of arms? What occurred that alerted you to that fact?

A I don't recall the specific instance or the moment in history in which I had this crashing revelation. But as I said, we were working in the same office, and after awhile, it is hard to not overhear things. So North had asked Earl to perform some back-up functions for him, to assist him in getting ready for the trip. I overheard something about that and I asked Earl about it. He was hesitant to say anything because I was not witting of what was going on. So I probably pushed him a little bit on it. Saying -- I am sitting here, this is a little silly, I am going to have to know something about it. So he -- I assume -- went to

North. He said this is -- we can't keep this up. It is makin it uncomfortable for me because I am sitting on the couch next to Craig, that type of thing. So North told me that he had asked Earle to do some preparations and help him back up -- as a back-up for the trip to Tehran. And that is what was going to happen.

Q Do you recall him telling you -- do you recall a specific time where North briefed you or told you about what was happening with regard to the trip to Tehran?

A I don't remember a specific sit-down type of briefing type of thing, but I recall asking questions about wh we are doing this, how this was all happening. He had said it was authorized by the President and McFarlane was going to go on this trip. I guess that is about it essentially. Some of the details of who was going to go, that type of thing.

Q Did you understand -- McFarlane ends up leaving around May 25 of 1986, I think, according to the various chronologies. I assume that is a reasonably accurate date. Do you have any recollection of how much prior to May 25 that you were advised by North about the project?

A I can't recall exactly, but it wasn't much. That is why I say it was two or three days.

Q Did you know at that time that these Hawk spare parts were going to accompany McFarlane?

A Yes. I knew that some spare parts, some electronic spare parts or missile spare parts.

Q Were going to accompany the trip?

A Yes.

Q Did you have any conversation with Colonel North prior to the time McFarlane left about whether -- let me ask it this way first.

Did you know it was with reference to an initiative relating to the hostages?

A Yes, I knew that.

Q Did you have any conversation, if you recall, with Colonel North about whether or not this was a good idea?

A I don't recall a conversation along those lines specifically, no.

Q You were never asked that you recall for your input about whether this type of initiative was a good policy decision?

A From my perspective, the decision was made. It was not a -- open for debate. It was something that had alrea been decided and the President had approved and it was going to happen. So it was not subject to what I thought or what anybody else thought. It was -- this is what was going to happen.

Q Right. Were you aware that there had been a presidential finding?

A To tell you the truth, I didn't know what a finding was at the time. That was something that was a new term of art to me, but I was told that the President had approved it and signed some piece of paper. If he used the word "finding" and he probably did, it would have -- I didn't understand it. I did not see it.

I was told that it was something that the President had signed that authorized it.

Q Did you have any knowledge at that time about various congressional notification requirements?

A No.

Q Did -- as of this time period up until the time McFarlane leaves on his trip to Tehran, were you aware that there had been other shipments of military goods to Iran?

A I don't think so. I don't think I knew that.

Q Have you read the Tower Commission Report?

A Yes. I breezed through it pretty quickly.

Q To the extent you could read that lengthy document. You now know there were shipments at least --

A Yes. I know now.

Q Did you, at least in February of 1986, there was a transaction of a thousand TOW missiles directly from the -- not directly, but from the United States through various intermediaries to Tehran or to the Iranians. Were you aware of that?

A In February?

Q I know you weren't aware of it in February. By the time of the McFarlane trip, were you aware that transaction had taken place?

A I don't think I was.

Q Do you have any recollection of when the first time was that you learned that transaction had taken place prior to the McFarlane trip?

A I can't recall any time other than when the chronology was being prepared.

Q I am going to try to keep this deposition somewhat chronological, too. So I will get to that in a few minutes.

Similarly, as to the two transactions which took place through Israel, I take it you didn't know of those until the chronology was being prepared in November of 1986.

A No.

MR. McGRATH: Which two are you referring to?

MR. EGGLESTON: The August/September of 1985 and November of 1985. Those transactions involving Israel.

THE WITNESS: No.

BY MR. EGGLESTON:

Q Did you have any role in McFarlane's trip? Did you provide any support, any back-up?

A Not directly. Since I was now aware of it, Ollie told me not to tell Poindexter that I was aware of it, because he was concerned with the operational security, and too many people being aware of it. So Ollie said I will tell you about it, but don't tell Poindexter, you know, about it because he doesn't know you know about it. So Earle was the one designated to be the point of contact. So I would sit with Earle when he got messages and did things like that. I think one of the things we tried to work on was press guidance, what to say if the thing was exposed in some way.

Q Do you recall what that press guidance was? What was it that you were prepared to say?

A Very difficult.

Q In the event it was exposed?

A As I recall, there were three scenarios. One was that if it was just -- let's see. I think there were three scenarios. I can't recall exactly.

One was if Poindexter is captured or taken --

Q McFarlane?

A What did I say?

Q You said Poindexter. I think Poindexter stayed in Washington.

A Yes. If McFarlane is taken hostage in some way, the group is taken hostage, two would be if the trip is exposed while he is there.

Q By exposed, you mean publicly?

A Publicly exposed. The third one I can't remember exactly what it was. There must be --

Q I suppose one of them would be all the hostages bein released?

A Yes. I guess that probably is it. I can't recall.

Q Did you know who else was going on the trip besides Mr. McFarlane and Colonel North?

A Yes.

Q Do you recall today who else went on the trip?

A McFarlane, North, Teicher, Cave, and Nir. And two CIA communicators.

Q Were you involved in communciations or any other aspects during the period of time that Colonel North and Mr. McFarlane were in Tehran?

A I don't think I was personally. I think I was probably there when Earle received something, but I was not personally.

Q Did you have any knowledge as of this time, as of the time, when I say this time I mean late November of 1986, about the method by which these transactions were to be financed, or this transaction, the sale of spare parts was to be financed?

A Ask it again.

Q I am sorry. As of the time that McFarlane went on this trip, I take it by this time you knew we were going to be selling spare parts to Iran.

I think you indicated --

A You are talking about what I knew at the time of the McFarlane trip?

Q Yes. I want to ask it first as of the time of the McFarlane trip.

A I don't think I knew anything about financing at the time of the McFarlane trip.

Q Did there come a time when you learned about how the McFarlane trip spare parts had been financed, had been sold to Iranians?

A No. Not -- if you are talking about that transaction?

Q Right.

A Specifically, no. I, frankly, never really got a bubble on how all the transactions were being financed. I thought I had some general sense, but I didn't know any of the specifics.

Q At what time did you have a general sense?

A Later. Like August, September, October. Later. It was.

Q Right. What was the sense you had about how this had been financed?

A It was not anything I was part of, but as I understood it, there was established an account in Switzerland. The CIA was establishing an account in

Switzerland that would receive money for the arms and then the money would be taken out by the CIA and given to DOD for the weapons. The money was being put in originally by some middlemen, Ghorbanifar, I guess, and then subsequently it was attempted to make it so it was straight from the Iranians. That was my understanding.

Q That was your understanding? Straight from the Iranians to the CIA account?

A Yes.

Q Do you know a man by the name of Richard Secord?

A Yes.

Q When did you first meet Richard Secord?

A Let me tell you how I -- the sequence. I saw him in the office shortly after I arrived in March. He would come in the office, but we were never introduced. It was, I am a friend of Ollie's, and hi, I am Craig Coy, hi, I am a friend of Ollie's.

Q So he didn't give his name?

A No. I was kind of given the hint not to ask questions, not to -- it was none of my business. So, fine. So, later I finally found out who he was and put names and faces together.

Q Had you -- do you know of the name Copp? C-o-p-p.

A Yes.

Q Did you know that to be another name that Mr.

Secord used?

A Yes. I finally pieced that together after a while.

Q I am sorry?

A I finally pieced that together after awhile.

Q Did Colonel North have a code machine in his office?

A Yes.

Q Do you know what kind of code machine it was? Do you know the number?

A I used to know the number. I can't remember. It was a TRW, said TRW on it.

Q KL-43 ~~AL~~-43?

A That could be it. Sounds familiar.

Q And it is my understanding that its keyboard, you type out a message, press a button, there is a burst, a burst of material [redacted] to another machine that is set up to receive these messages; is that right?

A Yes.

Q Do you know where Colonel North had gotten his machine?

A Well, I read it in the Tower Report. He got it from the NSA.

Q Prior to the time you read the Tower Report, did you know where he got it?

A Just that he had gotten it from the intelligence community.

Q Did you know who he was communicating with through that machine?

A I knew that Secord had a machine.

Q How did you know that?

A Because he would send messages in.

Q I will get back to those, but let me find out first who else you knew or thought had a machine.

A North had one, Secord had one, and there was one in Central America somewhere.

Q What led you to conclude that?

A Messages would come in.

Q Were they -- did they have a name on them?

A Not that I recall, but the guy -- the guy who would call occasionally from Central America would be a guy named Colonel Steele, Jim Steele. A guy named Bob McAllister would call, send a message in. He worked for Secord. I don't know if he had one or used Secord's.

Q Okay.

A Those are the only ones I know for sure. I think there were more.

Q Do you recall a man by the name of [redacted] in Central America having one? Do you recall any messages being received from a guy named [redacted]?

A Doesn't sound familiar.

Q - Doesn't sound familiar?

A It doesn't.

Q Let me understand. What happened when somebody would call up? Would they say I am about to send you a message over the code machine?

A Somebody would call and say I have a code message. Generally Fawn would take it, plug it into the machine. Sometimes Bob would do it. Occationally toward the end, you know, in October sometimes I would do it.

Q Where was the machine located?

A In Ollie's office. There was one in -- eventually Bob had one in his office, and then I think -- I never had one of my own. I would bring one in in October. I was bringing one in, if I was the only one around.

Q So, eventually Bob has his own? So there are two in the office?

A Yes. I think so.

Q When you say you would bring one in?

A I would take Bob's from his office if he was gone and take it into my office.

Q During the period of time that -- from March until May, until the time you moved into the new suites, did Colonel North have one of these machines during that period of time?

A March to May? I don't know. He could have. I just don't know.

Q You don't remember?

A I don't remember.

Q Was it attached? Was the machine attached to -- or could it be attached to a printer?

A Yes.

Q If it is not attached to a printer, does the message just read out on some --

A On the display.

Q On the display.

Did Colonel North or whoever was doing it on behalf of Colonel North, did he print all his messages out?

A I think so.

Q It is not your recollection that he would just read it off the screen and let it disappear?

A I think generally it would be printed.

Q Printed off?

Let me get back to the messages that were received from Secord. Were they signed "Secord"? Or did he use Copp?

A Both, I think.

Q And I take it that you recall some that related to the Iranian initiative that may have taken place?

A Yes. I saw, mostly after August or September is when I ~~seen~~ SAW them more routinely.

Q -- You may have read the Tower Commission that there are a series of about 20 or so of these messages out of the spring of 1986 that relate to Central America. Do you remember that in the Tower Commission Report?

A I didn't focus on it. I wouldn't be surprised.

Q Do you recall receiving or reading any messages from Secord either under the name Secord or Copp in the spring of 1986 relating to Central America?

A No. Not in that time frame.

Q Did you know Secord was involved in Central America?

A When?

Q In the spring of 1986?

A Did I know? I didn't know. I assumed.

Q And what led you to assume that?

A Because one of Ollie's accounts or one of his areas of responsibility on the NSC was contras and Nicaragua and these guys would come in. So far as I could tell, they obviously generally new terrorism, so I am sure they had something to do with Central America.

Q Let me just cover the other people that you knew had these machines. You said a guy by the name of Bob McAllister could send messages?

A Yes.

Q Do you know whether Bob McAllister was this person's true name?

A I found out after all of this happened that -- I am pretty sure his name is Dutton.

Q Dutton?

A Dutton.

Q Why do you think the person you thought was McAllister, his true name was Dutton?

A I can't remember exactly. It was kind of confirmed -- it was confirmed to me one time when I was talkin to Armitage about it. He said -- he was surprised I didn't know that.

Q When was this conversation with Armitage?

A Oh, I don't know. November, December sometime.

Q Of 1986?

A Yes.

Q What is it -- did you know Armitage?

A Yes.

Q Do you know him well from your --

A No, not well. He is an Assistant Secretary of Defense. He would come over and attend meetings in North's office. Some of those meetings I would sit in on. They were OSG meetings.

Q I was going to ask about the OSG meetings. I sort of threw my notes aside here. Let me just finish off this conversation with Armitage.

Do you know whether this was before or after Colonel North was fired?

A That conversation was after North was fired.

Q After North was fired?

A Yes.

Q How did McAllister's name happen to come up in the conversation with Armitage?

A I don't know. We were chatting about something. About all the things that were transpiring, and all the different people that were involved. It came up.

Q Do you know -- I take it this was a fairly casual conversation. I don't want to overly press you on something you may not remember that well. Was it your impression that Mr. Armitage knew who Mr. McAllister was?

A I thought he did, yes.

Q You thought he did?

A Yes.

Q Any other names come up in that conversation by way of code names that you call?

A Not during that conversation.

Q Do you recall what kinds of messages or what the messages were that McAllister sent to Colonel North?

A They would have information about re-supplies to the contras.

Q Military re-supplies?

A — Yes.

Q Were they -- did they relate on occasion to military needs of the contras?

A They could have. They would come in. If I happened to see one, I would scan it and pass it on. It was nothing that I was responsible for.

Q You were not involved?

A I was not involved. I knew it was military equipment in Central America, pass it on.

Q Did you know Colonel North was involved in military re-supply for the contras?

A When you say that he was involved with military supply, I knew he was involved with Secord and McAllister and receiving messages. I was not -- I knew he was giving speeches and talks to private groups.

Q Right.

A But I wasn't -- really wasn't aware of the level or the depth of his involvement.

Q Do you recall anyone else other than Secord and McAllister with whom he dealt relating to the actual re-supply operation, or the actual re-supply needs of the Central American contras? Who was it? Who was it under your impression who was down there doing it other than Secord and McAllister?

A In Central America?

Q Yes.

A I don't know of a name down there. Like I say, there was a guy named Steele who was with SOUTHCOM who would call up. I think he was on Galvin's staff. I am not sure. I don't know anybody that was right down there. I don't recall the name of anybody who was down there who would call up.

Q This Colonel Steele who would call up on occasion, did you know the reason he was calling? What is it that he talked to North about, if you know?

A I don't know. He wouldn't --

Q He didn't talk to you?

A The way I would know it if nobody else was around, I would answer the phone. He would say it was Steele [redacted] and wanted to talk to Ollie. I would say he is not here, do you want to leave a message? No. Just tell him I called.

Q To the best of your recollection, he never left a substantive message with you?

A Not that I can recall.

Q Did you have any involvement personally in the part of Ollie's work that dealt with the contras?

A No.

Q Did Mr. Earl have any involvement in that part of Ollie's work?

UNCLASSIFIED

A Not that I am aware of.

Q Was there anybody other than -- who else at the NSC staff other than you knew of, Poindexter, Earle, and yourself, who was aware of the McFarlane trip and the Iranian initiative? Did you know of anyone else who had knowledge of it?

A Of the McFarlane trip?

Q Yes. You testified earlier that you were told don't tell Poindexter, you know, because we are trying to keep security tight or something. Other than Poindexter, North, Earle and yourself, do you know of anyone else who knew?

A I read something about that in the Tower Commission Report.

Q That aside.

A I am trying to think of what I knew at the time. If Fortier wasn't sick, I assume that he would know. Paul Thomson would know.

Q Why do you think Paul Thomson would know?

A Because as far as I could tell, he was involved and knew everything that Poindexter knew. He was -- he may even have had one of those little machines. I don't know.

Q He might have had one of the --

A The KL-43 things.

Q Do you have a recollection he had such a machine?

A No, but I wouldn't be surprised if he had one.

~~TOP SECRET~~

If North wanted to communicate with Poindexter when he was gone or on the road, Thomson would be with him. But I don't know that for a fact.

I wouldn't be surprised. Obviously the President knew. [redacted], I assume, knew. And then -- I am going back to the Tower Commission Report.

Q I don't want you to do that. That I can read. I just want to figure out other people that you knew.

A I think that was all that I can recall.

Q Did you know a man by the name of Robert Owen?

A Yes.

Q Did he have a relationship with Oliver North?

A He would call on the telephone and come into the office.

Q Do you know what it was that he was discussing with North?

A Central America.

Q How often did he come into the office that you know of? Once a week?

A I would be wrong in anything I said in terms of --

Q Twice a month? Four times a month? Every two days? I am just --

A Not every two days. Probably not even once a week. It was maybe once every two weeks, twice a month, three times a month. Something along those lines.

Q -- Did you -- how was it that you knew he was discussing Central America?

A I can't think of a reason or a way I found out specifically other than I knew it wasn't terrorism. So it was Central America.

Q Did you ever participate in any of the conversations that North had with Owen?

A No.

Q Did you know what Owen's job was, what his official position was?

A I knew it was some relationship or he had something to do with something in the Nicaraguan assistance -- humanitarian assistance office, NAHO, or something like that.

Q You knew he was assigned to that office?

A I knew he had something to do with it, yes.

Q Did you know a man by the name of Spitz Channell, Carl Channell ?

A Yes.

Q Did he have a relationship with Mr. North as well?

A Yes.

Q Again, I know whatever answer you give is just your best estimate, but did he come by the office on occasion?

A On occasion he would come by.

Q More or less frequently than Owen would you think?

A Less. I would say less.

Q And --

A Call quite a bit, though.

Q He would call quite a bit? Did you answer the phone on occasion?

A Yes.

Q Did he ever leave substantive messages with you to pass on to North?

A No.

Q Do you know the reason he was contacting North?

A Subsequently, you know, from all the reports and I knew that he was a fundraiser. It had something to do with raising money.

Q Did you know the names of his organizations?

A I couldn't keep them straight.

Q You couldn't keep them straight?

A No.

Q Had you heard of NEPL, the National Endowment for the Preservation of Liberty?

A Yes. I had seen that before, yes.

Q How about the American Conservative Trust or the American Conservative Movement?

A Probably saw that one, too.

Q Did you know they were organizations that -- with which Channell had an affiliation?

A Not really, no. I don't think I put those things together.

Q Did you have -- you indicated that Channell was a fundraiser. Did you know that he was a fundraiser for the contras?

A I guess I assumed so. That is why he would be calling. That is why he was in to see Ollie.

Q You don't have any more direct way of knowing? You knew it was not part of terrorism?

A It is something he called anti-terrorism committee, or something like that. I couldn't figure out what the hell that did.

Q You mean Channell did?

A Yes. The only way I -- the only direct knowledge I had of any fundraising or any activities of Channell was invitation to attend an election night reception at the Willard Hotel. Fawn had gotten everybody in the office tickets.

My wife wanted to go see the Willard, so we went to see the Willard. We had dinner there, went through the buffet line, ate in the hallway because there were no tables available left. But I didn't pay for any money, any tickets. I didn't see any money transacted.

Q Did you know a man by the name of Richard Miller?

A Yes.

Q Did he come by the office, as well?

A Yes.

Q Did you know the reason he was coming by the office to speak to Colonel North?

A Not specifically.

Q Again, you assumed it was Central America?

A Central America.

Q There is a company called International Business Communications. Did you know that was Miller's corporation?

A I think I saw a business card with his name and that name on there.

Q Did -- in the time period the spring of 1986, did -- how often did Mr. Secord come to Mr. Miller's office?

A Spring of 1986?

Q Yes.

A Off and on. I can't remember.

Q Did anybody ever come with him?

A Yes. I am pretty sure -- yes. I am pretty sure somebody did.

Q Do you know who it was?

A No.

Q Did you ever get that person's name? Was it a male? A man?

A As far as I know, it was always a male.

Q Was it always the same person?

A I can't remember. Secord is the only face that I recall and got to know subsequently.

Q When did you get to know him subsequently? He was around during the chronology drafting?

A Yes. I knew him prior to that. So it was August, September, October. Well, before October. August, September.

Q Did you ever discuss with him his activities in Central America?

A No, not directly.

Q Not directly. That sort of begs my question. Did you ever discuss it with him indirectly? I am not sure ~~that~~ what you mean by not directly.

A No. I didn't have any conversations with him.

Q Did you know a guy by the name of Felix Rodriguez?

A I didn't know him. I knew the name.

Q And how did you know the name?

A I can't remember the sequence of events, which came first, but one event is when it was Felix Rodriguez was publicly linked with Don Gregg. Another event, I can't recall which is first, Ollie mentioned Felix Rodriguez before he went on a trip. He went on vacation. He said Felix Rodriguez -- he was telling Earl and I this, while he was on vacation, he said, Felix Rodriguez may call. He gave some indication that he was a nut, he was a friend of

Don Gregg's, not to do anything.

Q Not to make sure he got in touch with him on vacation

A Yes.

Q To your knowledge, did Felix Rodriguez ever -- and when I say "ever", I mean March through November of 1986 -- ever call and speak to Oliver North? Did he ever call?

A Not that I know of. I didn't answer the phone.

Q Right. It sounds like on occasion you -- if you were around, you would pick up the phone.

A The secretary would come in late, be gone, be busy, something like that.

Q You would pick up the phone?

A Yes.

Q To your knowledge, he never called?

A Not that I am aware of.

Q Did you know a guy by the name of Rafael Quintero?

A I heard the name. I wouldn't recognize him if I saw him.

Q Did he ever call the office?

A I don't know.

Q You now learn that at least there is a suggestion that part of the proceeds of the sale of arms to Iran were diverted to the contras and there has been a suggestion that Colonel North was involved in that. Did you have any -- other than what you read in the newspaper or the Tower

Commission Report or something subsequently, do you have any knowledge of that?

A No.

Q What does the word Project Democracy mean to you in connection with Colonel North? Was there something that he called Project Democracy?

A It was -- as far as I knew, it was a slang or jargon term that he applied to efforts relating to aiding contras.

Q Did he have any contacts that you know of with CIA individuals [redacted] in Central America?

A My guess is that he did. The CIA official that he did have contact with on Central America would be a guy named [redacted] out at CIA.

Q Anybody else out at CIA headquarters he had contact with?

A On Central America?

Q Yes.

A Not directly on Central America. He would contact, talk to Clair George, Gates, Casey.

Q Charl~~es~~ie Allen?

A Charl~~es~~ie Allen and Dewey Clarridge. I don't think it had anything to do with Central America other than the fact I know now Dewey was involved -- Dewey Clarridge was involved with Central America.

Q - Previously?

A Previously. Right.

Q Do you know the nature of his conversation with [redacted] about Central America?

A I am not sure -- [redacted] job, as I understood it, was he was a Central America task force.

Q Right.

A Focusing on doing what could be done to support the Nicaraguans or the contras and his conversations would deal with that.

Q Did you know that the -- did you know prior to November 1st of 1986 that the CIA was barred from assisting the contras militarily?

A Yes.

Q How did you know that?

A It was in the paper.

Q Did you know whether that bar was applied to the NSC

A I didn't know, no.

Q Did you ever have a conversation with North about whether it did or did not apply to the NSC?

A No. Not a conversation as to whether the bar did or did not, no.

Q Did -- I take it, though, that these messages that he was getting from McAllister led you to conclude that Colonel North was involved in providing military aid to the contras?

I take it that is accurate?

A Yes. That he was involved. There was always doubt in my mind as to the level of involvement. I mean, I knew that it was his responsibility to be knowledgeable and to be understanding of what is going on with the contras, and he received information in.

But I was always unclear as to exactly how much information was going out, how much direction was going out. I knew he was having conversations with these people, Secord, et cetera, and -- but that is --

Q I take it, though, by looking -- I am not suggesting you have done anything wrong here. I take it, though, by looking at these messages that McAllister and Secord sent up, they were fairly detailed requests and advices of military needs. We have to have more guns, we have to have more such and such, we have to move our troops to such and such a location.

A I don't recall messages like that.

Q What kind of messages do you recall?

A The messages I recall, that come to my mind, the ones I would read and scan that stick in my mind would be messages like there was an air drop in such and such a location, or there wasn't an air drop in such and such a location, that type of information. I don't recall ever seein anything that said we need this, or we need that, or is it okay to go here, or is it okay to go there. I saw the drop took place, the drop didn't take place, that type of thing.

Q Did you ever have a conversation with Colonel North about the reason he was being provided this information by non -- I take it you knew Secord was not in the Government and that McAllister was not in the Government. Did you ever ask him the reason these civilians were providing him with information over a code machine?

A No, I didn't. I never asked that question.

Q What was the Operation Sub-group?

A That was a group under the TIWG, the Terrorist Incident Working Group, that was established to coordinate terrorist operation -- operational activity, counter-terrorist operational activities and it consisted of NSC, North as the chairman, State and the Co-chairman, which started off as Bob Oakley and subsequently Jerry Bremmer, Dewey Clarridge, as the head of the CIA's counter-terrorism branch, Charlie Allen as the National Intelligence Officer for Terrorism, Richard Armitage, the Assistant Secretary of Defense, General Moellering, Assistant Chairman of the Joint Chiefs, Buck Revell, Associate Director of the FBI.

Q When did this group begin meeting?

A Began meeting probably in the March or April time frame.

Q And it continued throughout the time period?

A Yes.

Q Was Colonel North chairman of the operations group?

A Yes.

Q Did you attend the meetings?

A I attended some meetings. Originally, for the first part, up until maybe July or August, we did not attend. Bob and I did not attend, and then after that point, we would alternate, one would attend just to take notes.

Q Were -- once you and Bob started attending, were you two the principal notetakers of the meetings?

A Yes.

Q What did you do with the notes?

A If I got around to it and was diligent, I would type them up and put them into a file.

Q As minutes?

A Mostly as -- kind of as minutes. They weren't circulated as minutes. They would mostly be notes to keep a record of what was discussed, what actions were agreed to, what needed to be followed up on, that type of thing.

Q Did these meetings ever deal with Central America?

A Not that I know of.

Q None of the ones you attended?

A No.

Q Did they ever deal with --

A Unless it was some terrorist related Central American issue.

Q Did they ever deal with aid to the contras?

A No.

Q Did they ever deal with the -- what has now been called the Iran initiative? Did they ever deal with shipping weapons to Iran?

A No.

Q I take it they must have on occasion dealt with getting hostages back; is that correct?

A Yes.

Q But the discussions about getting the hostages back were other things [redacted] stuff like that?

A Initiatives in trying to locate, that type of thing.

Q [redacted]

A

Q You don't recall any discussion of shipping weapons?

A Not up until the part when it was exposed, no.

Q Who -- the Operation Sub-group was a sub-group of a large organization; is that correct?

A Yes.

Q What was it called again?

A The Terrorist Incident Working Group, TIWG.

Q Who was on that?

A That was the same people, but expanded to include a lot of other agencies. It would be FAA, the Department of Energy, perhaps, Secret Service, Treasury Department, Justice Department representatives, and some other listed in the NSDD.

Q Shortly after you arrived at the NSC, Colonel North takes a trip. Do you recall that? He goes to London?

A I recall he went on some trips, yes.

Q Do you remember one shortly after you got there?

A Not specifically.

Q Did you ever meet a man by the name of Ghorbanifar?

A No.

Q Did you ever hear -- and, again, I am talking about prior to the time this whole thing was revealed and you started working on the chronology -- did you ever hear Colonel North speak of Mr. Ghorbanifar?

A Yes.

Q When did you hear him speak of Ghorbanifar?

A Again -- I started piecing more of this together in my mind in the August-September time frame.

Q Do you become more involved in this operation in August and September?

A Not more involved, just more aware. I didn't sit in on any of the meetings and did not direct any activity by anybody, but just -- I guess I got to be comfortable around there, and so I would be more aware of what was going on with the thing. Ollie would occasionally talk about some of the meetings or some of the activities. Not doing it day to day, and not attending all the meetings, it was very confusing to try to keep track of the players and the people that were involved in the thing.

So it was confusing to me at best. But I would understand -- I thought I understood who the people were and where they were, but with code names, that type of thing, it took me a while to figure out who was doing what to whom.

Q Whom did you understand Ghorbanifar to be? Did you know he was the Iranian intermediary?

A Yes.

Q But not really until August of 1986 did you piece together he was the Iranian intermediary?

A It might have even been subsequent to that. Sometimes he was referred to as Gorba and sometimes Ghorbanifar. Initially I didn't link the two together.

Q Did you become involved in a more direct way in late October of 1986 -- is that right? -- with getting out the last hostage?

A Yes.

Q Aren't you somehwat more involved as a point person?

A More involved in making the arrangements for [redacted] hostage is released, the press guidance, and that type of thing. Yes.

Q What is it that you recall North telling you or talking about with relation to Ghorbanifar? Do you recall any discussion about his complaints about the pricing of the weapons?

A The things that I remember being said about Ghorbanifar might have been by North or others, but it was that he was unreliable as an intermediary and that there was a problem with the pricing of the weapons, that -- and when they talked about that, it is my understanding he was marking the price up to the Iranians and taking some commission on his own and since Ghorbanifar was unreliable, and he was marking the price up, that was one of the reasons to try to get a direct contact into Iran and cut Ghorbanifar out of it.

Q You indicated that you thought that you might have heard this from North or others. Who else would you have heard it from?

A I might have heard it from Earle, in a conversation, or I might have heard it from Charlie Allen. But I probably -- I think I probably heard it from North, because I wasn't -- the other people involved really weren't sure what my level of awareness was on the thing. So there was non-conversation on some points.

Q You don't recall any conversations directly --

did you have conversations directly with Allen about the sale of arms to Iran? Charlie Allen?

A Yes, I know.

Not -- I can't recall any conversations prior to the exposure, you know, in early November of all of the -- I may have, but I just can't recall.

Q Did you know a man by the name of Olmstead?

A Olmstead? The name is familiar. There was an Olmstead that came to talk to the Vice President's task force about something to do with terrorism. I didn't sit in on that meeting. But it was not viewed as anything important.

Q Was there an Olmstead who contacted Colonel North?

A I know an Olmstead now over in the Pentagon who is doing the drug business. I don't think it is the same one.

Q You don't think it is the same one?

A No.

Q You don't think it is the same one who advised the Vice President's task force?

A Oh, I am sure it is not the same one there.

Q Was there an Olmstead who dealt with Colonel North?

A Not that I recall.

Q You don't recall anybody by that name?

A I recall the name, but I don't recall dealing with North. Could be. I just don't remember.

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Q You don't remember?

Did you ever recall anybody with a code name of Steelhammer?

A What?

Q Do you recall anybody using the code name of Steelhammer?

A No. That is the first time I ever heard that one.

Q Did you talk to Colonel North after he returned from Tehran about the Tehran trip in late May or early June of 1986?

A Yes.

Q What did he tell you about the trip, whether it had been successful, unsuccessful, how it went?

A The parts I recall about the trip are that it was unsuccessful, that McFarlane was upset about the reception that he received, that they didn't meet with the people he thought he was going to meet with, hostages were not released, so it was a frustrating trip and -- that is generally what I recall.

Q There comes a time in the summer of 1986, late July, when another hostage is released.

A Jenco, yes.

Q Father Jenco. Did you discuss the release of the hostage with Colonel North?

A I am sure I did. I am not sure what --

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Q Did you know at that time that it related to this arms -- the arms transactions that had begun sometime previously?

A I don't recall then if I did or not. I might have still been pretty stupid, but I probably did, but I don't recall specifically.

Q I started to ask you about CIA contacts. I asked you about who you dealt with at the CIA on Central American affairs. You indicated you thought [redacted] was the principal contact. I don't think I ever followed up and asked you if you had any contacts with [redacted] in Central America?

A You asked that and I said I thought that he probably did and [redacted] the guy [redacted] one of those places, was recalled. I assume he had contact with him. I don't recall a name or anybody calling in that I am aware of that identified himself as [redacted].

Q Did -- does the name [redacted] mean anything to you?

A No.

Q Did a guy by that name ever call Colonel North?

A Not that I can recall.

Q Did you ever travel to Central America?

A No.

Q Colonel North on occasion spoke with public groups about the contras; is that right?

A Yes.

Q How did those speaking engagements get arranged? If you know.

A There was a series of engagements that would be arranged through the White House Public Liaison Office. He would bring in interest groups, different groups into the White House and hear from people in various offices and North became a popular speaker at these affairs. So there would be that way.

Then other invitations would come in from other groups for him to go speak.

Q Who is it at the White House Office of Public Affairs -- I think that is what you call it --

A Public Liaison.

Q Who was it at the Office of Public Liaison who would arrange these speaking engagements for Colonel North?

A I don't know of any one person. There was that woman that wrote the article in the Washingtonian that says she did. Whatever her name was.

Q Who is that? Was that Linda Chavez?

A No. She was the Director of the Office of Public Liaison. Mary Mattsing, or something like that. There was an article written by a woman who used to work there in the Washingtonian. Then there is a guy that I think is still there now, a tall curley-haired guy, Linus -- something like that -- Linus, Lenis -- something like that.

Q It is your recollection that they were involved in setting up these public speaking engagements for Colonel North?

A Well, I don't call it setting them up for Colonel North.

Q Well, setting up meetings at which they asked then Colonel North to speak?

A The American Jewish Republican Women from Topeka would come in and want to hear different people. North would be the one that they wanted to hear or that they would ask to give a talk to. I don't think it was a set-up.

Q Let's wait out these buzzers here.

(Discussion off the record.)

BY MR. EGGLESTON:

Q Did he also have public speaking engagements outside of the ones that were set up by the White House, if you know?

A Yes.

Q Do you know who set up those engagements?

A No. I thought an invitation just came into the office and he would go. I don't know there was a formal structure or any system to set up the things.

Q You don't know?

A No.

Q Do you know whether Spitz Channell set up any speaking engagements for him?

A Not that I am aware of.

Q How about Robert Owen?

A Not that I know of.

Q Not that you know of?

A No.

Q Did you know a woman by the name of Ellen Garwood?

A I have read about her in the newspaper.

Q Did you ever meet her?

A I don't know if I did or not. Spitz Channell brought in some little old lady in October, I think it was. It could have been her.

Q October of 1986?

A Yes.

Q Brought her in to meet Colonel North?

A Yes.

Q Do you know if she met the President?

A I don't know. You mean that day?

Q Do you know whether she ever met the President in 1986?

A No.

Q You don't know whether she did or didn't?

A I don't know if she did or didn't. No. I don't know.

Q Do you know whether any private contributor to the contras met with the President? Do you have any personal knowledge of it?

A No. Other than what is in the newspaper.

Q Other than what is in the newspaper, you don't know?

A No.

Q In the spring of 1986, there was an incident where a supply plane for the contras became stuck in the mud at an air strip [redacted] You probably read about that in the Tower Commission Report. Did you have any knowledge of that at the time?

A Not that I recall, no.

Q Do you recall Colonel North ever discussing it at or about the time that it occurred?

A I don't remember anything about it.

Q Have you ever -- did you ever hear him discuss a location called the [redacted]?

A No. Not the [redacted] There was a report in the newspaper about some farm.

Q Right.

MR. McGRATH: May we go off the record for a second?

MR. EGGLESTON: Sure.

(Discussion off the record.)

BY MR. EGGLESTON:

Q I think the question I asked you was whether you had ever heard him -- "him" meaning Colonel North -- discuss a place called the [redacted] I think your answer was no.

A No.

Q How about a place called [redacted]?

A No.

Q Or I think [redacted]?

A No.

Q None of those locations?

A No.

Q Did he have any conversations or meetings to your knowledge with Ambassador Tambs, who is an Ambassador to Costa Rica?

A Did Tambs ever call up?

A I am pretty sure he did. None that I answered, but none that I know for sure.

Q How about Ambassador Duemling?

A I don't remember that name.

Q I think the Tower Commission also reports in early September of 1986, there was an incident involving -- again, involving an air strip [redacted] [redacted] threatened to expose the fact there was an air strip. At or about the time that that occurred, in early September of 1986, did you have any knowledge of that?

A — No.

Q Colonel North did not discuss that with you or discuss it in your presence?

A Not that I recall. I don't recall anything about it.

Q In October, October 5 of 1986, an airplane containing among other people, Eugene Hasenfus, was shot down over Nicaragua. I take it you recall that general incident?

A Yes.

Q Did you have any conversation with Oliver North about that?

A Yes.

Q And was it shortly after the shoot-down?

A I think he was gone, as I recall, when that happened.

Q North was gone?

A Yes.

Q Do you know where he was?

A I think he was in Europe.

Q Do you know why he was there?

A I would have to look at some notes or something, but my guess is that it would have been some meeting with the Iranians.

Q Okay. And did you discuss it with him -- discuss the Hasenfus incident with North after North returned?

A Yes.

Q -- Do you recall what he said to you and you said to him about the incident?

A I don't recall specifically the conversation, but it was my memory of it is that it was -- I was, I guess, curious or trying to figure out if there was someting -- if he had something to do with it, he was dancing around the issue somewhat and didn't -- so I didn't get a straight answer as to this is something I know of, or this is my guy, or this is something, but it was viewed initially as a potential hostage situation where the government of Nicaragua was going to take an American hostage.

Q Maybe just as best you recall instead of sort of conclusions from the conversations, do you remember, as best you can, what you said to him and what he said to you back? How long did the conversation about Hasenfus last?

A That is what I mean. I don't recall a direct conversation back and forth. I am just trying to remember the period of time and general discussions.

Q Did he indicate to you that he had a problem?

A That he had a problem? Hasenfus had the problem.

Q It certainly turned out to be true. He was interested and concerned and it turns out that it was a Southern Air Transport airplane, which I am assuming is Secord's, connected with Secord, as I understand it now. He was interested in doing what could be done to get him out and ~~he~~ had conversations with the State Department, CIA, what the situation was on the thing, but I have seen the Tower Report message that he sent, that North sent to McFarlane about a lawyer.

Q Right. But -- by this time you had a pretty -- I take it a pretty strong knowledge that Secord had this operation going and you had seen a lot of things relating to drops?

A Yes.

Q By this time you must have had a pretty large body of knowledge that at least Secord had a major re-supply operation going and that he was talking very frequently to North about what it was that he was doing?

A Right.

Q Did you ever talk to North about, is this one of Secord's guys? Is this --

A I don't know if I asked him directly that, but I was led to believe that, yes, it was.

Q That it was?

A Yes.

Q What led you to believe that?

A I can't recall. It is just -- it was -- it is hard to describe because it was as if you wouldn't get a straight answer, but you would get a sense, or a nuance, something like that.

Q -- Did he tell you that the President knew about it?

A No. He didn't tell me anything like that.

Q Did he tell you he had a -- what he was doing was authorized, so he didn't have any trouble?

A No. There was a phone call that I mentioned to the investigators when they came last Wednesday that a guy named Halevy, Halevy called saying if Ollie wanted a good lawyer, because of all this thing, because there were investigations going on, so it looked like the pressure was building on Ollie, and there were press reports and all of that stuff, he would help him find a good lawyer.

Ollie Wasn't around. This guy kept calling, asking for Ollie. Ollie was gone. Finally he left me that message. So I PROFed Ollie a note. He was gone. I think he was overseas at the time, again, or maybe on the same trip. I can't recall. Left him that message. I talked to Ollie later about it, said do you -- are you going to get a lawyer, what are you going to do? He said that he didn't ~~that~~ think he had any legal problems and he felt comfortable.

Q Did he tell you why he thought he had no legal problems?

A No. I can't recall anything specific. Just -- the thought that I recall is that he felt comfortable and that he didn't have any legal problems.

Q Who is it who called up?

A A guy named -- I can't spell it. I can't pronounce it very well. It is David Halevy is the way it is pronounced.

MR. VAN CLEVE: Would the spelling be h-a-l-e-v-y?

THE WITNESS: Probably is. I think so.

BY MR. EGGLESTON:

Q Did he tell you what his relationship was to Colonel North?

A I know and -- I knew later, at some point, that he is a reporter with Time Magazine, a Jewish reporter with Time Magazine. Israeli native, or Israeli naturalized citizen. I am not sure.

Q Did you ask Colonel North the reason that this individual was calling to see if Ollie needed a lawyer? It is a little bizarre to have someone from the outside call up several times repeatedly and say do you need a lawyer, I got to get in touch with Ollie in case he needs a lawyer. Did you ever talk to Ollie about the reason this guy was calling up?

A No. Enough bizarre people call.

Q Between March of 1986 -- I just want to ask you if you have heard of a number of individuals or companies and what you know about them.

A Starting when?

Q So the record is clear, I want to do it between the time period March of 1986 through November 1, say, of 1986. I want your personal knowledge, not things you might have learned during the preparation of the chronology or reading the Tower Report or the press reports. Things I take it started happening fairly fast and furious after about November 3 or so of 1986.

Had you heard of a company called Lake Resources?

A No.

Q You had not heard the name mentioned?

A No.

Q Had you heard of a company called Hyde Park Square Corporation?

A No.

Q A company called Toyco?

A No.

Q Had you ever heard anything in connection with the contras called the toys account?

A No.

Q Had you heard of a company called Albon Values?

A No.

Q Udall Research? Or Udall Services, anything with Udall in it?

A No. Some of those I read in the Tower Commission.

Q I understand. That is why I wanted to make it clear that is why I am asking about this earlier time.

A Some of them I don't remember from the Tower Report.

Q Did you know a man by the name of Albert Hakim, h-a-k-i-m?

A Yes.

Q Had you ever met him?

A Met him personally once, I believe.

Q When was that?

A When the Iranian -- new Iranian contact came in to meet.

Q Came in to meet?

A Met with North in his office.

Q That would have been October or so of 1986?

A I think it was September. Wasn't it late in September.

Q Late September, early October.

A Something like that.

Q Is that the only time you had met Hakim?

A That I can recall.

Q Had you heard North talk about Hakim prior to that time?

A Again, putting names -- different names together subsequently, there was a name Abe. I put Abe together with Hakim. Abe, I am fairly certain, would have been mentioned earlier than that, but you finally put Abe and Hakim together. I think it was probably right around that meeting time.

Q Did you have any knowledge that Abe or Hakim had any involvement in the Project Democracy?

A Prior to November?

Q Prior to November 1 or so of 1986?

A I don't think I thought of him that way, although I knew he was associated with Secord and Secord did, but I didn't -- I thought of him as an Iranian.

Q Did he call to speak to North?

A Yes.

Q These are always tough questions, but the question I want to ask is was it frequently?

A No. I don't think so.

Q Once a month?

A Well, I don't recall him calling much at all other than, you know, like in October, toward the end of this thing. But prior to that, I don't recall him calling.

Q You indicated earlier that you had thought that Nir had gone on the Tehran trip?

A Yes.

Q Is that right?

A Yes.

Q Did you ever meet Nir?

A Yes.

Q When did you first meet Nir?

A I met him when I was with the Vice President's task force. He came to Washington and met with several of us on the Vice President's task force.

Q Did you meet with Nir during the period of time you were assigned to the NSC?

A I met him, but I had no substantive meetings with him.

Q Was he at the NSC in order to meet with Colonel North?

A Yes.

Q How many times did you observe that he was meeting with Colonel North?

A I can only recall two that I am pretty sure of. One is early, right after I got there. He came in. So that would have been March or sometime like that. And another time was in late summer, early fall. Probably late summer.

Q Do you know the reasons he met with North on either of those occasions?

A Prior to May, no. The fall trip was in relation to the Iranian initiative.

Q Did you know a man by the name of Kimche?

A No. But I know now.

Q You know now but you didn't know then?

A No.

Q — Did you know someone named Schwimmer?

A No.

Q When you say "no", did either call North to speak to North, to your knowledge?

A No.

Q You knew Ledeen, I take it?

A Yes.

Q And did you know a man by the name of Thomas Clines?

A No. But I know now.

Q You know now. At the time you didn't know?

A No.

Q How about a company called [redacted]?

A No.

Q When is it that you first heard that there may have been a diversion of the purchase price of the Iranian funds to the contras?

A The day Meese stood up at the press conference.

Q You had not heard about it, not even heard about it prior to that time?

A No.

Q After Meese made his announcement -- where were you when the press conference was taking place?

A I was in my office upstairs.

Q Upstairs? You have a T.V. set in your office?

A There was a big one out -- you say you have been there?

Q Yes.

A As you go upstairs, there is kind of an open area. There is a T.V. out there. My office was in the back corner. There were double doors there. The double doors would open up, the T.V. would be right there.

Q Were you watching it alone?

A Yes.

Q Did you know the subject of it? Did you know what was going to happen?

A Well, I knew it was going to be on Iran. I knew it was going to be at noon. I am not sure how much more I knew than that.

Q After you learned ~~on~~ of the press conference, did you have a conversation with North?

A Yes.

Q Where was North?

A In his office.

Q Was he alone?

A I don't think so. But I can't tell you who was in there with him. I focused on North.

Q Did you have a conversation with him?

A Yes.

Q What did you say to him?

A As soon as Meese said that there was some diversion of money, it hit me as a shock. I went downstairs and asked Ollie what that was all about. Was there any -- and he didn't respond.

He just sat there.

Q He didn't respond verbally?

A Didn't respond verbally, and he didn't -- nod, nod his head yes or shake his head no? He just sat there, sort of gave a shrug as if to say I am not going to tell you anything, or can't tell you anything, that was it.

Q Did you turn and walk out?

A Yes. I wanted to hear what else was going to come on I didn't know about.

Q Had you heard by that time he had been fired? I can't remember when that appears in the press conference.

A I think the press conference was on Tuesday.

Q It was, Tuesday the 25th.

A On Monday I recall some conversation that -- I will screw the days up, Poindexter sent a PROF note to everybody indicating he was leaving, quitting. I don't know if that was a Monday or Tuesday. I can't recall. Then there was conversation. Ollie said he was going to resign as well. Then it was announced at the press conference, I think.

Q Let me go back and do this in a more chronological fashion. Where are you working now?

A At the National Drug Policy Board with the Attorney General.

Q I am sorry?

A The National Drug Policy Board.

Q How long have you been there?

A Since the first of February. Or since -- yes. I got over there on the first of February.

Q Did you go straight from the NSC?

A Yes.

Q And how -- how is it that you -- what is it you are doing with the Attorney General?

A I am the Assistant to the Chairman, who is the Attorney General, on the National Drug Policy Board.

Q Did you have prior drug enforcement experience?

A Well, I am a Coast Guard officer.

Q Right.

A That is one of our areas of responsibility, yes.

Q Did you have any personal -- it is an area of responsibility of the Coast Guard. Is it an area in which you personally had any involvement?

A Not in a policy level other than some minor things that I got involved in at the NSC. Jim Stark was the guy on the NSC on drugs. He knew I was in the Coast Guard. We talked about a couple of issues. That is it.

Q How is it that you happened to take this position?

A The Attorney General asked me.

Q Did you know the Attorney General?

A I knew him when I was a White House Fellow.

The guy I worked for, Svahn, worked for Meese.

Q What kinds of things are you doing for him now?

A Well, the President announced the combination of the supply side and the demand side of the drug policy issue. That is going to come under the Drug Policy Board. So I am doing work to get that geared up and to make the Policy Board central place for drug policy decisions.

Q And you have been there since the first of February?

A Yes.

Q Let me take you back now to the time period November 3 through November 25 of 1986. Actually, let me take you back to late October, first. As I understand it, you are involved somewhat more substantially in the efforts to release the last hostage, I guess his name was Jacobsen; is that correct?

A Yes.

Q At the time were you aware Dutton and Quintero~~s~~ were also involved?

A Quintero~~s~~?

Q Isn't it true that -- did you know that Dutton was over helping on the release of Jacobsen?

A McAllister, yes.

Q You knew him then under the name of McAllister?

A Yes.

Q Did you know there was someone who was also not a government official with him?

A I don't recall, but I wouldn't be surprised.

Q Why is that?

A I mean Secord and McAllister went over there and there was a crew from an airplane that went with them. I don't recall Quintero~~s~~ doing anything.

Q Does the name -- did you know Quintero~~s~~ by this time?

A I still don't think I know him.

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Q Did you ever talk to Colonel North about the reason non-government officials were involved in the efforts to free the hostages?

A Never did. I wish I did, but I didn't. I thought it was odd.

Q But you never asked him why, when we have all these military and he is in the military and we have a CIA and all these other people, that we are using somebody like Secord?

A I didn't ask the question directly. I knew Poindexter was aware of it. So, that made it authorized or legitimate, as far as I was concerned. It was, to me, admittedly odd.

I didn't -- it was not the way I would have done it, but it was not my decision to do.

Q But you never asked?

A No.

Q The reason he was involved?

Did you know anything about Secord as of this time?

A I knew he was a retired Air Force general and I knew that he worked with Ollie, I think, while he was on active duty helping get the planes sold, the AWACS planes sold to Saudi Arabia. I knew he retired and was dealing -- doing this contra business.

Q As of this time, without commenting on whether these allegations were true or not, as of this time, were you aware of the allegations that he was involved with Wilson, Ed Wilson? You know who I mean by Wilson?

A Yes. He is the guy who sold the ~~platique~~ plastic to Qadhafi.

I don't think he knew that, but I think it was in the New York Times Magazine.

Q That was about two months ago.

A I don't think I knew anything about that.

Q Had you had -- okay.

Did you know a man by the name of [redacted]?

A I don't recall that name.

Q During the release of the hostages, just to sort of flesh out the rest of the record, in late October, early November, 1986, what was your role precisely? What is it that you did in connection with that release?

A Well, Ollie had gone to Europe to complete the negotiations and we got information from North that a hostage would be released momentarily, probably two, probably three would be released.

So, Bob and I tried to set up some sort of a watch schedule where we would have some source of contact with Ollie while he was overseas so that we could relay information to Poindexter and to coordinate any efforts wher the hostage was released.

So, we -- the final weekend -- let's see. Jacobsen was released on Sunday, I think, or Saturday night.

Q I have it written down here somewhere. He was released on the second.

A What day of the week was that?

Q November 2nd is a Sunday.

A The final weekend, Friday, Saturday, and Sunday, Bob and I went over to the situation room and just stayed there as a point of contact in a communications center so that we would be able to receive messages from Ollie and get them to Poindexter.

Q So, your principal role was as a Washington point of contact in case there needed to be communications between North out in Europe and Poindexter and the individuals back in the White House; is that right?

A Yes. Yes.

Q I think it is on or about November 3 or 1986 the Beirut magazine article appears and reveals that the McFarlane trip to Tehran -- is that your general recollection?

A Some time in that time frame.

Q Is North back in Washington by the time this takes place?

A I can't recall exactly.

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Q What is the reaction among NSC staff? What is the reaction to this article?

A Generally, I would say that the reaction was that initially it would hamper the efforts to get the remaining hostages out, that it was going to expose this operation, or this initiative. And so, the focus was on trying to get the rest of the hostages out as quickly as possible before it became too much of a turmoil and this story really started breaking.

Q There comes a time when there is a decision made among the NSC staff to prepare a chronology of the events that had taken place from 1985 -- maybe 1984, 1985, and 1986. Do you know when that decision was made or when you were first advised of that decision?

A I can't remember the date, but the direction I understood was that Ollie asked Bob to get started on something, and then Bob didn't have all the information. So, he wasn't able to do too much, and it shifted over. So, Ollie was put into the -- the direction was that Poindexter wanted one document, or one piece of paper that would outline and describe the Iran initiative, and the direction was to put all the information into it initially, and then sensitive information, classified information could be scrubbed out so that you could start with a document that had everything and scrub it down to, at some

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point you had a public document that would -- that you could release.

Q Go ahead.

A That got to be tough to do, because the first draft --

Q Let me stop you. I would like to, if I can, sort of narrow down some things before you get into the substance of the drafts, which is what I would like to do in a second.

Do you recall -- here are two dates that seem to me it must have taken place between these two dates. The Beirut newspaper article comes out, I think, around November 3. I take it this has not started as of the date of the Beirut newspaper article.

A No.

Q Or the date Jacobsen is released?

A No.

Q On November 13, the President makes a speech which is sort of the culmination of all the press turmoil after the Beirut article. I take it it is well underway by the time the President makes his speech; is that right?

A Yes, I think it is. I am pretty sure it would be.

Q I would think at least one of the reasons the chronology had to be prepared is that someone had to brief the President on the details about what had really happened so the people could get together a speech and get together some public response to the revelations of the Beirut magazine article.

A Yes.

Q Do you have any recollection when in that time period this decision was made?

A Not by date or anything.

Q Was there a meeting that you attended where Poindexter ordered various people to do various things?

A No, I didn't attend the meeting.

Q Do you know that such a meeting took place?

A I don't know. I assume, because Ollie came back.

Q Right. From something?

A From across the street, I assumed, or thought, from Poindexter's office-

Q Do you have any idea who attended the meeting?

A No.

Q And Ollie comes back and says, "We have to start getting this chronology together"?

A Yes.

Q It is your testimony that he initially assigns this task to Earle?

A Yes, because Ollie was --

Q Still trying to get the other hostage out?

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A Still trying to do other things, get the hostage out. He asked Earle to get started on it. Earle made some attempt, I guess, to work on it. And then it was picked up and turned over to Ollie.

Then, at some point -- and, again, I can't fix a date on it -- Ollie came back and said that Poindexter directed him to do all things with Iran in preparation of the chronology, and that Bob and I were to stay out of it, that we were supposed to do the rest of the office stuff, keep the office going and just let Ollie devote full time to the Iran business.

Q In fact, you remain involved in the preparation, don't you?

A I remained invovled in the sense I was there while it was being done, with redrafts. I would be up in my office, come down. People would be scribbling notes. I would read it. Initially, I was reading it to try to get started, thinking I would finally understand what the heck was going on in the whole thing. So, I would read it for grammatical reasons, see if it made any sense.

Q Do you know whether there was a CIA chronology?

A Yes, there was.

Q Was that prepared prior to the first draft of Ollie's chronology?

When I say "Ollie's" I should say the NSC

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chronology that your office was working on.

A I don't know if it was before or simultaneously. My vision of it was it was more simultaneous. But I don't know when it was -- I don't know anything about when it was started. I know there was one.

Q And the document I am thinking of is maybe two or three pages long, a CIA chronology; is that your recollection of the CIA chronology? It was not as your maximum version becomes, a 20-page document? It is pretty sketchy?

MR. MCGRATH: If you have that, it might be appropriate to show him.

MR. EGGLESTON: Well, I actually do have that, but I don't have a copy of it, so I can't mark it as an exhibit. Actually, this isn't it, anyway.

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BY MR. EGGLESTON:

Q Could you just describe generally who was it who was involved in the actual preparation of the chronology?

A Substantively?

Q Yes.

A Ollie, Secord, Cave, Charlie Allen, McFarlane, Teicher did a little bit, and then it went to Poindexter.

Q Do you know how the work on the chronology was divided up, if it was, the different people assigned to do different parts of it? Or is everybody working on the whole thing?

A I didn't see any division of labor on the thing other than Ollie was -- seemed to be doing most of the writing. He would hand it to Fawn, Fawn would type it, and it would come back in. People would look at it, make corrections. So, you ended up with a number of different drafts, trying to get it all put together. So, that is the way it worked.

Q Were documents also used?

A Documents used?

Q In the preparation, as I take it, everybody wasn't just relying on their own memory. Were there documents used?

A Ollie had notes and papers. I didn't have any.

Q You didn't have any?

A No.

Q There is a draft of this. The President then gives a press conference on November 19. Do you remember the press conference?

A Yes.

Q It was a fairly eventful one because, as I recall, it is one of the only times the President had to immediately correct one of his statements. I want to get to that in a second.

Did you see the press conference?

A Yes.

Q Was the chronology substantially done by the time of that press conference?

A I suppose so, yes.

Q How much time, if there is any way for you to estimate -- how many days was Secord there working on the chronology?

A I don't know. I would guess two or three.

Q Two or three?

A Something like that. Maybe more. I can't -- I don't know.

Q And how about Charlie Allen?

A He maybe came over once or twice.

Q How about Cave?

A Same thing, little bit more.

Q Little bit more?

A More than Allen.

Q Did you know what role Cave had had in the operation?

A Cave was the interpreter who attended a lot of the meetings.

Q Did you know that at the time or only through the preparation? Di you know that at the time that Cave was acting as the interpreter or did you only know that during the preparation of the chronology?

A No. I knew he was on some of the trips prior to the chronology.

Q Who else did you say had been involved in the substantive drafting of the chronology?

A Teicher came in and took a look at it, had some thoughts or -- read it from his perspective.

Q Did McFarlane come to the NSC offices to work on it?

A You know, I read that in the Tower report, and I got to tell you, I don't remember him coming in to work on the chronology.

I remember him coming in to work on a speech.

Q The November 13 speech?

A Yes. But I don't recall him coming in to work on the chronology. He could have. I just don't remember that.

Q Now, since you have read the Tower Commission report, you know that he sent a long PROF note about at least one of the drafts of the chronology.

Did you know that at the time? I think it was November 18 that he sent the note.

A No, I don't think I knew that.

Q You don't know?

A No.

Q Are you telling me that you basically had no substantive role in the drafting of the chronology?

A I had the substantive role I inputted to it, was -- there is a portion at the beginning that talks of what other countries sold to Iran. I provided some of that information.

Q How did you know that information?

A I knew that information because Poindexter had asked Ollie to put together a paper on what other countries were selling to Iran, to try to give it some perspective.

Ollie asked me to prepare it. I called CIA and asked for some information. They provided me the information and I made up a larger paper, and from that paper I got some of that information.

Q Do you recall during the course of the preparation of this chronology any disputes about factual issues?

A Yes. I believe it was -- I don't remember any specifics. It was, you know -- because I wasn't there the whole time, you get the sense that somebody would read it, somebody would say, "No, this happened; no, this happened this way," trying to resolve everybody's memory on exactly how it all worked out.

Q Do you remember who was having those disputes?

A Not directly, other than Ollie would be involved in them because he was prime drafter of the thing. He would write something. Somebody would say, "I don't think this is the way it was. I think it was like this." It would be changed.

Q Do you know what role Secord had in the drafting? Do you recall any substantive input Secord had?

A I couldn't point to anything in there that he did.

Q Did Secord have a security clearance?

A I assume so.

Q Do you know how high a security clearance it was?

A No.

Q Did you know the last time he was with the government?

A Some time in -- I think he left the Defense Department in 1982 or 1983, something like that.

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Q Did you have anything to do with preparing the President's speech?

A Yes.

Q What was your -- I am talking about the speech now that was on November 13. Did you help draft it? What was your role?

A It was the same kind of process where we were tasked with coming up with the first draft of a speech that had to go to the President's speech writers by 5:00 o'clock in the morning or something, the morning of the 13th.

So, we would sit around and sketch up outlines and drafts of a speech and pass it around and try to make corrections to it. That is when McFarlane came in and tried to craft his own --

Q McFarlane came in?

A Yes. He tried to craft out his own suggestions of how the speech would be written. And he started writing out in longhand. He went over to North's PROF terminal and typed it out on that and had it printed out.

Q And this is now preparation for the November 13 speech?

A Yes. That is why I say I don't remember him coming in for the chronology, although I read that in the Tower report. I just don't recall that incident.

Q The Tower report, at least according to it, has him coming in on the evening of the 18th and seeing you furiously pasting and cutting and putting things together.

A I don't recall that incident.

So, I could have been there; I could not have been there. I just don't recall him coming in other than for the speech.

Q Do you recall the dispute with McFarlane over the speech? Were there any substantive disputes about what should be in the speech?

A I don't recall disputes.

Q You indicated that you thought one of the areas were --

MR. MCGRATH: I think the disputes that we talked about earlier on were with respect to the chronology. You are talking about the speech now.

BY MR. EGGLESTON:

Q I thought you indicated that the only time you remember McFarlane coming in and having a disagreement about what might go in the speech was --

A It wasn't a disagreement on substance. It was more style, what should be said, how it should be said, that type of thing.

Q Do you recall what his suggestion was and how it differed from the draft that --

A I don't recall.

-- I know we ended up submitting a draft, and he had typed out a draft in his PROFs. The only way I would know is to put them side by side now.

Q By submitting a draft, you mean it was -- there was ultimately a draft submitted to the President's speech writer.

A Yes.

Q Do you know whether any of McFarlane's ideas were incorporated into that draft?

A Into the speech?

Q Into the draft speech?

A That we submitted?

Q Yes.

A I would say some of his ideas were put into it. But, as I recall, the speech that we submitted and the one that came out of the speech writers, at least in my view, was different.

Q After the President gave his speech, there was --

A May I make a phone call?

MR. EGGLESTON: Sure.

(Discussion off the record.)

BY MR. EGGLESTON:

Q I think I was just beginning to ask a question related to the reaction to the speech. Was there any -- as I recall personally, the events, which is probably the most irrelevent thing of all -- the speech did not end the controversy and the discussion about the Iran initiative. I think that is probably a fair statement.

Were there any meetings after the speech to determine what more should be done?

A Not that I attended.

Q Did you have any conversations with North? Where did you watch the speech?

A Home.

Q Did you have any conversations after the speech the next day or whenever with North about the speech?

A I don't recall any conversations about the speech other than the fact I -- personally, as you say, personal impressions.

Q Did the work after the speech on the chronology -- I take it that continued?

A Yes, if the speech was the 13th.

Q There comes a time when there is a decision made to have a presidential news conference. Did you have any -- attend any meetings or discussions relating to whether or not the President should move to a news conference format instead of a speech?

A No.

Q Did -- I take it that the President was then prepared for the news conference? He must have been provided substantive information.

Now, he would be in a question and answer format instead of a format where he controlled essentially the information that would be provided. Was there --

A I didn't do anything for it.

Q Do you know if Colonel North did anything to prepare him?

A Other than the chronology, I don't know of anything. I can't recall anything.

Q There comes a time when a chronology is produced which reports that the President had no knowledge about the August 1985 transfer of weapons from Israel to Iran. Do you remember that version of the chronology? Am I accurately reflecting that version of the chronology?

MR. MCGRATH: Which version are you referring to?

MR. EGGLESTON: A version which essentially says the President was not aware until after the Israelis had sent the arms that the arms had been sent.

MR. MCGRATH: Do you have a specific version in mind that you are looking at or that you are referring to?

MR. EGGLESTON: Actually, while I am doing that, since it is in front of me.

BY MR. EGGLESTON:

Q There comes a time when there is a document that is undated, but it is a memorandum dated around April 4, 1986.

I think it is produced substantially in the Tower Commission report.

Are you aware of the document I am referring to?

A From the Tower Commission report, yes.

Q When is the first time that you saw that document?

A When I read the Tower Commission report.

Q So, actually you have never seen a piece of paper that contains the report in any fashion, is that correct?

A That is right.

Q Let me not ask specific questions. Let me do it this way instead. Do you recall any conversations during the preparation of these chronologies about the way the August -- July and August of 1985 events would be reported?

A I have some memory of that subject being discussed, but I can't reconstruct any conversations. I couldn't offer any judgment or insight as to one way or the other, because I had no knowledge at the time as to which would be right and which would be wrong.

Q Do you recall who participated in these conversations?

A No. That is what I mean. I am not sure they took place. With all the fervor over this, I wouldn't be surprised if I was there and had conversations. I don't recall any conversations -- any confrontation, any direct discussion over did he or didn't he or will he or won't he, any of that type of thing.

Q Did you watch the President's news conference of November 19?

A Yes.

Q And I may have asked you this before, but let me just go through it again so I have it in my own head. Where were you when you saw that?

A At home.

Q Did you have a conversation the next day or at any time with Oliver North about that press conference?

A Not substantively other than a personal -- at least my personal opinion on it.

Q What did you tell him? What did you tell him your personal opinion was?

A My personal opinion was I didn't think the President did a very good job.

Q What did you say to him about why that was true? What is it you said to him about the President's performance?

A I don't recall exactly other than I thought that he didn't seem to be sure of the facts, was unsure of himself in answering the questions, that type of thing.

Q Did -- what did Colonel North say in response, if you recall?

A I don't recall.

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Q Did you indicate to me you also had a conversation with Colonel North about the November 13 speech, your own reaction to the November 13 speech?

A We had a conversation prior to the speech and after the speech. After the speech, it was just, you know, personal view of the thing. But prior to the speech, we had gotten a draft of the speech just prior to the due time, which would have been early afternoon, and he had read the speech and made some suggested changes to it.

It had to go back to Poindexter to go to Buchanan, to go to Regan, to go to the President, but he had read it and then I read it and I didn't personally like the way it went, so I made a suggested change, talked to Ollie about it.

He said, "Fine, you can sell it; it is all yours." So, I walked it over finally at this point, having never walked over to Poindexter's office before. I thought this was something I wanted to at least get my nickel's worth in on this one.

And Poindexter's reaction was it was too late, that was too much of a change to make, and there was nothing that could be done.

So, I walked out of there, and as luck would have it, Buchanan was in the hallway, so I hit him with it. He didn't know who the hell I was. I said, "Here, if you want

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my opinion, this is what the speech -- we ought to change the speech to make it look more like this."

He said, "Sorry, kid, it is too late. Go see Regan, if you want."

Q What was this change that you wanted made?

A There is a line in there that lists a bunch of activities at the beginning of the speech, and there is a line afterwards that says, "This is utterly false."

Q And what did you want to change?

A I wanted to take out the phrase, "This is utterly false." I wanted to put in there something to the effect that the President makes a lot of decisions, and he is responsible for a lot of decisions, and he made a decision that was -- that deviated from publicly stated policy, but he did it for good reasons and tried to explain the reasons and why he made that thing.

Q What is the reason that you wanted the phrase that "This is utterly false" deleted?

A Because I didn't know if those were utterly false.

Q Had your preparation of the chronology led you to conclude that it was, in fact, not utterly false?

A Led me to believe that I didn't know. I viewed it -- those things could have been false or not true, but in my mind, when you say the phrase, "Those things were utterly false," that is like sticking a needle in somebody's eye and begging the question. I just didn't know what they were, but I thought that -- some of them may have been true. I didn't know. I assumed they were false, but I thought that phrase, "This is utterly false," was too provocative, too strong.

MR. MCGRATH: Mr. McFarlane [redacted], you mentioned that based upon your preparation of the chronology, is that why you objected to the "This is utterly false" statement?

You might want to go back at this point and state again what your role in the preparation of the chronology was before the President's speech.

THE WITNESS: Well, I mean, I was just reading the thing for grammar and for verbs to make sure the sentences had a verb. I put that part in there about other countries selling arms to Iran. I didn't -- I had no substantive knowledge of the things that went into it, but I had read it and I just -- it struck me wrong. I didn't like that phrase.

BY MR. EGGLESTON:

Q Okay. And I just want to make sure that I have as clearly as possible Colonel North's reaction when you said to him that you thought that that was a phrase that should not be in there, or whatever you said to him.

A Well, he said, "It is fine with me, see if you can sell it." So, off I went.

Q On your fruitless mission?

A Yes.

Q Is there anything else in the speech that you wanted to change?

A A couple happy-to-glad type of things, some other things. At that late hour, you know, it was too late to make any real changes.

Q Is there anything -- was there anything else, if you recall -- and I have a copy of the speech, at least as it was put out by the White House, I think -- was there anything else in the speech with which you disagreed?

Was there anything else in the speech that you thought was not accurate or overstated or with which you disagreed?

A No. My view of the speech was everything in the speech as I read it originally was, as far as I knew, factual.

It was just I didn't like the tone. I didn't like that phrase that said, "That is utterly false." I didn't read it for any -- I didn't see, as I recall -- I didn't see any factual things that -- where the President would be saying an untruth, because that is one of the things you really want to look at, that you don't want the President saying anything untrue.

MR. VAN CLEVE: May I make a suggestion?

In order the record is clear, because it would be helpful to read the preceeding paragraph, that preceeds the statement that the witness is concerned with.

MR. EGGLESTON: Why don't I read the two paragraphs so the record is clear. It is probably a very good idea.

This is out of a draft, or what was actually released as being the President's speech. "The charge has been made that the United States has shipped weapons to Iran as ransom payment for the release of American hostages in Lebanon -- that the United States undercut its allies and secretly violated American policy against trafficking with terrorists."

"Those charges are utterly false. The United States has not made concessions to those who hold our people captive in Lebanon, and we will not -- the United States has not swapped boat loads or train loads of weapons for the return of American hostages, and we will not."

That is the continuation.

BY MR. EGGLESTON:

Q Let me read the next paragraph and ask you if there was any discussion about the drafting of the next paragraph, if I could.

"Other reports have surfaced alleging U.S.

involvement: reports of a sea lift to Iran using Danish ships to carry American arms, of vessels in Spanish ports being employed in secret U.S. arms shipments, of Italian ports being used, of the United States sending spare parts and weapons for combat aircraft. All those reports are quite exciting, but as far as we are concerned, not one of them is true."

Do you recall any discussion of the drafting of that paragraph?

A See, that draft is different from the one that we had sent in, so we were playing catch-up, doing something that speech writers had prepared.

Q Right, right.

A The only thing I recall that happened on that draft was -- I can't remember when it was, but it was when I stopped by Poindexter's office with what I thought should be the fix and then walked out, and I am pretty sure I ran into Buchanan in the hallway then, tried to shove it at him.

Then I went back, I guess looking for Ollie. Ollie -- I eventually found Ollie in Buchanan's office. They were working on some -- making some changes to the speech, but I can't recall -- I think there was a phrase in an earlier draft of just before this draft that had some mention of Miami airplanes, and Ollie had Buchanan take that out. But that is all I can recall.

Q That is the only thing you recall?

A Yes.

Q Let me just make sure I am clear.

The paragraph I just read to you, beginning with, "Other reports --" and going on to list a number of things that were not true, was that in the draft that you had sent up?

A I don't recall. I would have to see it.

Q And you indicated that in preparation for the November 19 press conference, the only thing that you did was work on the chronology; is that correct? You didn't --

A Well, if you say "working on the chronology", I admit that I was there when the chronology was made and the parts -- the input that I did. But there was also a point at which Ollie said, "I am doing Iran, and you guys do everything else."

Q I didn't mean to actually overstate your role. I meant other than what you did with regard to the chronology, you didn't have anything else to do with preparing the President?

A No.

Q You didn't attend any direct briefings for the President?

A No.

Q Do you know whether the President was briefed in preparation for the press conference?

A I assume so.

Q Do you know who briefed him?

A No. Other than, I am sure, Poindexter was there.

Q I guess I should ask it more specifically. Do you know whether North was there?

A I am virtually certain that North was not there. I like to leave myself a little hedge, but I am virtually certain that he wasn't there.

Q Do you know whether Casey was there?

A I don't know.

Q You don't know? Did you know Casey?

A I know him as the Director of the Central Intelligence Agency.

Q Did you know him personally?

A No.

Q Did he come by Ollie's office? Did he talk to Ollie on the phone?

A He talked to Ollie on the phone. I know that. He wouldn't know me if I walked in the room.

Q There comes a time, as well, does there not, when Admiral Poindexter testified on the Hill? Do you recall that? I think it is November 21.

MR. VAN CLEVE: Off the record.

(Discussion off the record.)

BY EGGLESTON:

Q I will correct that.

Do you recall a time when Admiral Poindexter briefed members of Congress down at the White House?

A I recall that happening, yes.

Q You do recall that happening?

A Yes.

Q Did you have any role in preparing him for that briefing?

A No, not directly.

Q And did you have any indirect role?

A Other than what I did on the chronology?

Q Was the chronology finished by that time?

A I don't know. When was the hearing? When did he come --

Q My best recollection is it was the morning of November 21.

A Must have been. As I recall -- can't even recall the last date on the chronology. As I recall the Tower Commission, I think the last one was the 18th.

Q I think there is a version dated the 20th.

A Is there? Okay.

Q On the -- I want to ask you what you knew about various events that took place between the 21st and the 25th of November.

The 21st was a Friday; the 25th was a Tuesday. Were you aware that an investigation involving the Attorney General that essentially began as of the 21st of November?

A Yes.

Q Were you aware of that on the 21st?

A That was Friday?

Q Yes.

A Yes.

Q How were you made aware of that?

A I got a call from -- I answered the phone. I can't remember if he was calling me or calling the office. Paul Thompson called.

Q Do you recall when that was, what time of the day, I mean?

A I am guessing late afternoon, early evening.

Q What was your conversation with Mr. Thompson?

A He said that the Attorney General and the Department of Justice would be doing an investigation and we should be ready to talk to them if they wanted to talk to us.

Q Was Colonel North in the office?

A I don't recall. I recall answering the phone, and

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Thompson was there. He told me that there was going to be an investigation by the Department of Justice and that they may want to talk to us.

I recall asking him if I was supposed to come in on Saturday or what -- what am I supposed to do? He said, "No, don't bother coming in. They will call you if they want you."

I said, "Fine." And --

Q Was it clear that the investigation the Department of Justice was going to do was going to be the next day? Was there any indication to you that they might want to talk to you that night?

A No. I got the impression that if they wanted to talk to me, it would have been on Saturday.

Q Did he ask you whether or not the offices would be available or open the following day?

A No.

Q You don't recall him saying anything to you like, "The Department of Justice wants to get in the offices. Are they going to be open? Can we get in?"

A No.

Q Did you tell Colonel North about the conversation with Thompson?

A I don't recall specifically, but I probably did, unless he got a call directly from somebody else.

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I don't recall. Normal operation would be if I had gotten a call like that, I would have told Earle and North.

Q Did you ask Thompson what the investigation was about?

A I don't recall asking him directly. That was the Friday after the press conference.

Q No. This would have been the Friday before the press conference. I am sorry. This is the Friday after the press conference.

A Yes.

Q Yes.

A No. I didn't know anything about the subject, other than it would be an investigation on the Iran thing.

Q Did you have any -- did you ask him anything about what it was -- I mean, you must have asked yourself, "This has been an initiative conducted by the NSC; what in the world is the Department of Justice doing investigating the Iran initiative," and if you didn't -- you must at least have asked yourself, and if not yourself -- if not yourself you might also have asked North or Earle about what is happening here.

This had to be an unusual kind of phone call.

A Well, it was an unusual kind of phone call. You don't get investigated every day.

Q Yes.

A But I guess I didn't have any -- it is a little bit like I am today. I din't have any -- I didn't have any reason to be concerned or to have -- I didn't have any feeling that there was anything wrong with it being investigated.

So, I don't recall -- just can't recall him saying the purpose of the investigation directly.

Q And you don't recall him asking whether he would be able -- he or the Department of Justice would be able to have access the next day to your offices?

A All I recall is asking him whether he wanted me to come in to talk to these people. He said no, they would contact you.

Q The night of the 21st after this conversation with Thompson, do you remember whether you spoke to either Earle or North?

A I don't remember -- on the investigation, I don't remember specifically.

Q Did you talk -- do you have any recollection of how late you worked the night of the 21st?

A No. That bothers me. Others have asked the same question. I don't have a calendar, and I don't have any recollection.

I have asked my wife if she can remember if we went out or something. I just don't have any recollection.

Q Would you have had to sign out with the guard or something if you left after hours?

A If I had been the last one out --

Q The last one out of --

A The office. To secure the office, the last one out has to call and tell the Secret Service that you are securing the office.

Q Do you think you did that?

A I am sure that I didn't.

Q You are sure you did not?

A Yes.

Q But do you have any recollection of whether Earle or -- let me put it this way. Surely if either North or Earle was there at the time you got this call about the Department of Justice starting an investigation, you would have mentioned it to them?

A I would have. That is what I am saying. The normal course of events, I would have mentioned that.

What I am saying is, I can't remember any -- the conversation, or I can't remember -- you know, you have a memory of walking into somebody's office and saying something. But I don't have any memory of that happening.

I could have very easily have PROFed a note to them and said if they weren't around, just so they had it.

I have no recollection of what I did exactly after I got the call.

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Q Do you think that you would -- and I know that you don't have a specific recollection, but it may be based on your general habit or practice. Do you think there is a likelihood that you would have spoken to them or left them a note, one or the other? Do you think it is unlikely you simply would have left without informing them?

A It is unlikely I would have left without ascertaining that they already knew in some way, that they were aware. I just don't recall how that happened.

Q Did you come in on the 22nd?

A Saturday?

Q Yes.

A No.

Q Did you come in on the 23rd?

A Yes.

Q On the 23rd when you came in, did you learn that the Department of Justice had been inside of your offices?

A Yes.

Q How did you learn that?

A I arrived there at roughly 12:00 or 1:00 or thereabouts, and a guy named Jock Scharten, who had occupied one of the offices upstairs, a lawyer at NSC, was in the office. He was the only one there. I walked up to my office, poked my head in there; he was there. He said --

Q I am sorry. Where is he? In your office?

A No. He is in the middle office.

Q Right. I got you. There are three offices on the top floor?

A Yes.

Q He is in the middle one? You are in the one on the right?

A Which way are you facing?

Q I am facing the windows.

A Facing the windows, I am on the left.

Q Earl is on the right?

A Yes.

Q You are right above North?

A Yes.

Q Great.

A I came up the stairs, walked over to my office. Jock was there. He said that Brad Reynolds and somebody else, probably Cooper, were downstairs.

Q Had been or were?

A He said they were downstairs. I poked my head in, looked around the corner. There was nobody there. I said, There is nobody there. He said, Well, they must have gone to lunch. They will be back soon. I said, Fine.

Then I went through some cable traffic and was reading. Shortly after that, Ollie came in and asked if I could give him a ride to the Department of Justice because he was going to meet with Meese. I said Sure, I'd give him a ride.

I gave him a ride at 12:30, something like that, whenever he was supposed to meet with Meese. I dropped him off and went home.

Q Did you have any conversation -- let me ask you this first: Did you ever see Reynolds and Cooper in the offices?

A No.

Q Did you have any conversation with North now about the reason he was meeting with Meese?

A Well, when we rode in the car over, it was again a tense situation, because I knew about the investigation of this. So you didn't want to talk. He didn't want to talk about anything that would jeopardize or prejudice anything about it. So it was a very vanilla conversation.

Q It was a very -- excuse me?

A Vanilla. There was nothing there.

Q Did you have any discussion about the investigation at all?

Let me ask you this: Did he tell you whether or not he had been in on the 22nd?

A At some point he had told me. I don't remember if it was in the car on Sunday, or Monday, or sometime: but he mentioned something about being in to -- until very late on Friday night or Saturday morning.

Q By Friday night or Saturday morning, you mean either Friday night into the early hours of Saturday morning?

A Yes.

Q Do you know whether he had come back in on Saturday?

A I didn't know that. I don't know.

Q Did he tell you what he was doing so late on Friday night?

A No.

Q There is a report -- there has been a report that the shredders were full as of at least Monday morning. When you went in on Sunday, were the shredders filled?

A The FBI has asked that question. I just don't have any -- the shredders were back around the corner in the closet. It was not something I routinely did, was go look at the shredder.

Q You didn't have occasion to see the shredder?

A It could have been full, could have been empty.

To be perfectly honest with you, it wouldn't have made any difference to me one way or the other. It was not something I was thinking of at that time.

Q Although as of this time you knew there had been a Department of Justice investigation about to start. If you had seen heaps of records or heaps of shredded documents, I suppose you might have made some connection between those two events?

A I probably would have. It would have struck me as something not particularly Kosher.

Q Was Colonel North nervous as of the time you were driving him to the Department of Justice?

A No. Actually he seemed pretty calm.

Q Did you have any conversation with the lawyer whose name I just forgot? Scharten?

A Jock Scharten.

Q Did you have a conversation with him about what Reynolds and Cooper had been doing there?

A Just going through all of Ollie's files.

Q Did you ever talk to Reynolds and Cooper?

A No.

Q They never asked to interview you?

A No.

Q When is the next time you saw North after you drove him down to the Attorney General's office?

A That was Sunday.

Q Right.

A I would have seen him Monday.

Q He came to work on Monday?

A I am pretty sure he did.

Q Did you have any conversation with him about the meeting with the Attorney General?

A I think I probably would have asked him how it went, if there were any problems, anything. He didn't say there was a problem. It was a noncommital reply.

Q Did you tie any of this into -- in your own mind, did you tie any of this investigation into the phone call you had gotten from the Time reporter about whether Ollie needed an attorney?

A Tie it in? I figured it was -- no. Tie it in.

Q Well, did you remember that event at the time you found out they were starting to investigate?

A No, not really.

Q Was it your notion that he was being investigated only for the Iran part of his activities?

A I think that was my general impression at the time.

Q You didn't have an impression that part of the investigation might have dealt with his activities with regard to Central America?

A I don't recall having that impression.

Q So what you are essentially telling me is you didn't have any substantive conversation with North about his meeting with the Attorney General?

A No, I didn't.

Q Have you ever?

A No.

Q When is the last time you talked to Oliver North?

A Probably November. I think I tried to call him around Thanksgiving to say howdy and happy Thanksgiving. I don't think I got through. I didn't get through. I'm not sure when I last talked to him. A long time ago.

Q A long time ago. Certainly not since the first of the year?

A No.

Q Have you spoken to his lawyer?

A No.

Q After -- let me start with November 24. I am almost done. I am within minutes now, I swear.

A I'll be glad to come back.

Q Really, I am definitely almost done. It is probably easier for everybody if I just finish. Probably easier to get it done.

Did you discuss this matter on November 24 or thereafter with Admiral Poindexter?

A No.

Q Did you ever discuss it with Mr. McFarlane?

A No.

Q Did you discuss this allegation or the suggestion that Mr. Meese made at the press conference of November 25th about the diversion; did you discuss that with any members of the NSC staff?

Let me ask it this way: Did you discuss it with Bob Earl?

A I'm sure I probably did.

Q Was he aware of it? Was he aware that the diversion had taken place independent of the press conference?

A Not that I -- he didn't give me that indication.

Q Did he -- do you recall when after -- was he in on the 23rd, Sunday the 23rd?

A Not that I saw.

Q So you did not discuss any of this with him on the 23rd?

A No.

Q Did you discuss the investigation with him on the 24th?

A Yes, I am sure we did.

Q Did he indicate that he had any knowledge about what was going on?

A No. At that point, it started to get kind of antsy, where nobody wanted to say anything to anybody else.

Q When is the last time you talked to Mr. Earl?

A It would have been late January.

Q Late January?

A Yes.

Q What was the context of that conversation?

A It was a context -- the context of the conversation was he was over at a new job over at the Marine Corps. His wife was due with a baby. How is it going,that type of thing.

Also, I was getting ready to leave. He had a -- it was a folder he had left behind with his name on it that had letters of invitation to talk to the Hill, back in December, and had copies of the chronology, that type of thing in it. I asked him what he wanted done with it. He said I could send it over to his office, because he had storage over there.

I assumed it was his, for his use in preparation for testifying at some point. So I gave it to his secretary, said to check with security people, the executive secretariate, on how to send this thing to him, if

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we can send it to him.

Q Do you know whether it was sent?

A It was not sent.

Q Do you know why it wasn't sent?

A It was not sent because it was brought to the attention of the security people and Paul Stevens, who said it was not appropriate and was not personal material, that it belonged to the NSC and it shouldn't be sent.

Q Right. I was hoping that would be the answer.

MR. EGGLESTON: I don't think I have anything else.

MR. VAN CLEVE: I would like a moment to confer with Mr. Eggleston. Then I have just a couple of questions. Excuse me.

(Recess.)

EXAMINATION

BY MR. VAN CLEVE:

Q Back on the record.

I just have a couple of brief questions, Mr. Coy. If you don't understand anything I am going to ask, please stop me and ask me to clear it up.

My understanding is that last week you met with a couple of the investigators for the Select Committee; is that correct?

A Yes.

Q And you recall your discussion with them about various things?

A Yes.

Q Do you recall a discussion of events after the shootdown of the Hasenfus plane in October of 1986?

A Was it with the investigators?

Q Yes.

A Not specifically, but help me along.

Q I will do that.

My understanding is that you discussed a conversation you had with Colonel North after the shootdown with the investigators; is that correct? You testified to that conversation?

A Yes. I am trying to think what I might have said differently, if I did say anything differently.

Q Do you recall having told the investigator that during that conversation, you said to Colonel North, "I hope all of this stuff you are doing is legal," to which North replied, "Yeah, it is; the President signed off on it."

Do you recall having made those statements?

A I don't think I would have said the President signed off on it. If I did -- as I recall that conversation with the investigators, I was describing the note I had taken from Helevy and they asked if I had any

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knowledge, you know, whether or not -- what North had done with legal.

I recalled a conversation along those lines, related to the PROF note. If I said that, that the President signed off to it -- if that's what they said I said, I am sure I said it.

Q Could you speak up so the reporter can hear you?

A I don't recall that part of the conversation.

Do you recall that?

MR. EGGLESTON: I don't know that it really matters what Mr. McGrath recalls in any event.

THE WITNESS: Oh. Okay.

BY MR. VAN CLEVE:

Q You do or do not recall having made that statement?

A I don't recall making that statement. I could have made the statement.

Q You could have made the statement? Is it your testimony now that you recall Oliver North having said, "Yeah, it is legal; the President signed off on it"? Yes or no?

A I have to honestly say I can't remember North saying that, but it is my understanding that what North said was what he was doing was legal, and it was okay. But when you put that bit on there about the President, I

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just -- I'll take them at their word. I don't recall having said that. I'm not sure I would have said that. As of today, I don't recall that part of the conversation. I don't --

Q Have you had occasion to discuss your testimony before this committee or before any other official body on the Iran-contra affair with officials in the Executive Branch?

MR. MCGRATH: Could you repeat the question?

(The reporter read the record as requested.)

THE WITNESS: Just my -- I was investigated or asked questions by the FBI. So I told them what I knew.

BY MR. VAN CLEVE:

Q Anyone else?

A No. Because we were told not to. McGrath was there when I testified to the Senate Intelligence Committee.

MR. VAN CLEVE: The witness is indicating his counsel.

I have no further questions. Thank you very much.

MR. EGGLESTON: Thank you, Mr. Coy.

Mr. MCGRATH: If I may make one statement on the record. All references to documents, chronologies, Presidential statements, et cetera, were based on Mr. Coy's independent recollection of those. At no time was he

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offered the documents to review.

MR. EGGLESTON: Fine.

Thank you very much. Mr. Coy, thanks for coming down. We appreciate your cooperation.

(Whereupon, at 1:20 p.m., the deposition was concluded.)

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Original

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Stenographic Transcript of

ORIGINAL

HEARINGS

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

TESTIMONY OF CRAIG P. COY
Monday, June 1, 1987

3707

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under provisions of E.O. 12356
by B. Reger, National Security Council

Washington, D.C.

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TESTIMONY OF CRAIG P. COY

Monday, June 1, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
Washington, D. C.

Deposition of CRAIG P. COY, called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 9:25 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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APPEARANCES:

On behalf of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition:

MARK BELNICK, ESQ.
Executive Assistant to the Chief Counsel
VICTORIA NOURSE, ESQ.

On behalf of the House Select Committee to Investigate Covert Arms Transactions with Iran:

RICHARD J. LEON, ESQ.
Deputy Chief Minority Counsel
CLARK HALL, ESQ.

On behalf of the White House:

C. DEAN MC GRATH, JR., ESQ.
Associate Counsel to the President
The White House
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PROCEEDINGS

Whereupon,

CRAIG P. COY,

called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE COMMITTEE

BY MR. BELNICK:

Q Commander Coy, you began as a member of the National Security Council staff in early 1986?

A That's correct.

Q Approximately in February?

A February, first of March.

Q This was right after your service on the Vice President's Terrorism Task Force?

A That's correct.

Q Was Colonel North a consultant to that Task Force?

A He was one of many we brought in, over 100 different people, but yes, he was.

Q Had you known Colonel North prior to knowing him during the Task Force?

A I had met him once when I was working in the White House in the Domestic Policy -- Office of Policy Development -- I was asked to get some information on a crime bill sent to North, and so I met him at that time.

Q Who asked you to join the NSC staff?

A Admiral Poindexter.

Q And he asked you and Lieutenant Colonel Robert Earl at about the same time?

A That's correct.

Q And both of you worked in the same unit at the NSC?

A Yes.

Q Now Political-Military Affairs, was that the name of the unit?

A That was the name of the unit that Ollie was attached to. We were officially attached to the Crisis Management Center for administrative purposes, and then attached to work with Ollie.

Q But in fact you, Earl, and Lieutenant Colonel North were part of the same unit?

A That's correct.

Q And was it a special unit reporting to Admiral Poindexter?

A That's correct.

Q Let me take you to the period of November 1986, and I'd like to direct your attention, if I may, to Friday, November 21, 1986. That was the day -- just to set it in context -- on which the Attorney General of the

United States received the assignment to look into the Iran issue, which had by then been boiling in the press. Do you have the date in mind?

A Yes.

Q Now prior to then there had been work by the NSC staff, under Admiral Poindexter, on preparing chronologies of the Iran matter, correct?

A Yes.

Q And you had some involvement in those chronologies?

A Yes, I did.

Q I don't want to get into all the questioning that took place at your last deposition, but would you summarize what you work was on the Iran chronologies?

A Basically my role was to help where I could in joining the office and putting the thing together. I would read through drafts for grammar and make sure the sentence construction made some sense, and then the portion in the chronology near the beginning that discussed other arms shipments by other countries to Iran, I provided some of the information on that.

Q Now by that point -- namely the point at which you started working on the chronologies -- had you been briefed into the Iran compartment?

A I had never been briefed in a formal sense, but I was aware of the Iran compartment. I mean, I didn't sign any form or anything like that.

Q Well, prior to the disclosures in the foreign press in early November had you been aware, had you known of the trip by McFarlane and North and others to Tehran?

A Yes.

Q How did you learn that?

A I learned of that two or three days prior to the McFarlane trip as preparations were being made for the trip. Ollie had asked Bob to do some backup work for him. We were working out of the same office, so I just overheard things and stumbled upon it, and finally got told that they were on their way to Tehran.

Q You learned of it gratuitously?

A Yes.

Q Did you have any role in the Iran initiative prior to the disclosures in the foreign press in November?

A Direct role?

Q Yes, sir.

A No, just other than receiving information and passing it on. I did help in the coordination of the release of Jacobsen and the one prior to that.

MR. LEON: Weir?

MS. NOURSE: Jenco?

THE WITNESS: Father Jenco.

BY MR. BELNICK: (Resuming)

Q Do you know whether any money was paid in connection with the release of Jacobsen?

A Money paid?

Q Yes, sir -- in the nature of ransom or payoff.

A For Jacobsen?

Q Yes, sir.

A No, I don't think so.

Q Would you be surprised if you heard that money was paid, or at least it would be news to you?

A Yes, it would.

Q At any time prior to November had you heard that any of the monies that were being -- well, let me strike that.

Did you know prior to November that the Iran initiative also involved selling arms to Iran?

A Yes.

Q Is that one of the things you learned?

A Yes.

Q Did you learn anything about how the price of those arms was being set?

A Not specifically. I knew that the prices were being set, and that was something that Ollie had asked Bob to help with, and that they were setting the prices to sell them. That's about it. I didn't understand the change in prices or markup or how they were being sent.

Q Did you know there was a markup?

A Well, I found that out subsequently, but I knew that they were setting some prices.

Q How did you know that?

A Just conversations, overhearing conversations. Bob was working with --

Q By "Bob" you mean Bob Earl?

A Bob Earl. Bob was working with the CIA -- [redacted] -- on those things.

Q That's something you observed?

A No, I didn't observe it, but I knew about it.

Q Did Bob ever tell you, Bob Earl, that there was a markup in the price to the Iranians?

A Not a markup.

Q Well, how did he put it?

A Just that -- well, he never talked about it specifically that I recall. They were setting prices, and in my mind at the time I thought they were setting prices for Ghorbanifar, who was then selling them to the Iranians.

Q All right. Well, did you understand that the price they were setting to Ghorbanifar was higher than the price that was being paid to the Department of

Defense for the weapons?

A Not higher, just different. I guess I would have assumed it was higher, but I just didn't --

Q Different means either higher or lower. You didn't think they were selling it for less?

A I didn't think it was lower, so I guess it would have been higher, but it was nothing I was aware of. I just thought it was a straight deal.

Q Well, did anybody tell you what was to be done with the difference -- that is, the higher price received from Ghorbanifar?

A No.

Q Did anyone tell you prior to November that any of the monies that were being generated from the Iran arms sales were going to be used for the benefit of the Nicaraguan freedom fighters?

A No.

Q You never heard that?

A No.

Q What we refer to as diversion you heard for the first time on November 25 when the Attorney General announced it?

A That's correct.

Q Now, going back to your work on the chronologies, during that period in November, when you were at work on that task, did you hear any discussions concerning how the shipment of weapons to Iran that took place in November 1985, a year earlier, would be portrayed in the chronologies?

A I don't remember any specific discussion other than they were trying to figure out, trying to recall, the sequence of events and what actually happened, so there was some discussion as to did this happen, did that happen, back and forth. But I don't recall a specific conversation.

Q Do you recall whether there were discussions over whether to say that no one in the United States Government knew that the November 1985 shipment contained weapons or not?

A I'm trying to remember what I knew then versus what I've come to understand now. The only part of that sequence that I recall with any specificity was the point as to the return of the HAWK missiles, and that point in the chronology, whether that was done at our request or at somebody else's request, and that type of point.

But I don't recall specifically on that other point.

Q Let's go on now, back to that date of Friday, November 21, 1986, which I mentioned before, the day the Attorney General gets his assignment to conduct a fact inquiry. Do you remember whether you were in the office that day?

A Yes, I was.

Q And did you have any conversations with Colonel North on that day about the Attorney General's inquiry?

Q I don't recall specifically any conversation with North. What I recall is receiving a call from Paul Thompson sometime late in the afternoon.

Q And what did he say to you?

A He said that the Department of Justice would be coming over to look into, start an investigation on this Iran thing, and that I should be prepared to answer any questions and be available to them.

Q Did Paul Thompson ask you to pull any documents?

A No.

Q You mentioned at your last deposition, by the way, that you thought Paul Thompson may have had a KL-43 communications device. Do you recall that?

A Yes.

Q On what did you base that thought?

A Just the fact that he traveled with Admiral Poindexter and wanted to stay in contact with North, so I thought he had one.

Q Were you in the office all day on November 21, 1986?

A I can't recall.

Q Well, as far as you know it was a regular day?

A It was a regular day.

Q And your usual hours were, when you worked in Suite 302?

A Probably 7:30-8:00 until 6:30-7:00.

Q Did you see any documents being shredded on that day?

A Did I see any? No.

Q Did you know that there was document destruction going on in the suite that day?

A No, I did not.

Q Were you in the suite most of the day?

A I assume so. I don't have a calendar or anything to look at. I assume I would be.

Q But you have no recollection of seeing any document destruction or shredding on November 21?

A No.

Q Let me not limit it to November 21. Take it from that day forward to the next week. Were you aware at any time that documents were being destroyed from the files in suite 302, shredded?

A I was aware from sometime the next week, after

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the office was sealed up, Fawn had told me that she had shredded some 50 or some PROF notes, so I thought that wasn't too smart a thing to do. Of course, it was too late to stop her at that point, but I had my first FBI hearing and told them that.

Q When did Fawn Hall tell you about her participation in shredding? I'll help you with the dates. The Attorney General's press conference was on Tuesday, the 25th, and the office was sealed that day, that afternoon, I believe.

A I think it was sealed on Monday night, wasn't it?

Q I don't believe so. I don't think so. I don't think it was sealed until after the press conference.

A After the press conference. Then what day is Thanksgiving?

Q Thursday.

A She would have told me Wednesday, then.

Q Wednesday the 26th. And what do you recall that she said to you?

A Just that she had shredded some PROFs documents, statements.

Q Were you and she the only participants in that conversation?

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A As I recall.

Q Where was it? In suite 302?

A I don't even remember the conversation, but I am sure it would have been there.

Q Do you know how she came to tell you?

A No. I don't remember the specifics at this point, other than the fact of what I told the FBI at the time.

Q And you said to her?

A I don't recall saying anything other than it did not sound like too smart a thing to do and they shouldn't have been doing that. But what I remember of the conversation is her claiming to have shredded PROFs statements.

Q Did she tell you why she shredded those PROFs messages?

A I don't recall specifically, but if she did, it would have been at Ollie's request, I am sure.

Q Did she tell you whether anyone else shredded documents?

A No, she didn't.

Q Did she tell you whether she had altered documents as well as shredded documents?

A No, she didn't tell me that.

Q Did she tell you whether she had taken documents out of suite 302?

A No, she didn't tell me that, but I knew that she was, based upon what Brenda Rieger had said when she sealed the office, that personal papers could be given to Ollie, which was phone logs and calendars and things like that, so I think she took some of those things to him.

Q Aside from those things which Brenda Rieger said were permissible to be taken out of the office do you know whether Fawn Hall took other documents out of suite 302 that were not supposed to leave that suite?

A Not that I'm aware of.

Q She didn't mention anything to you about that?

A No, not tnat I recall.

Q Going back to the 21st of November, did you observe on that day that any documents were being changed in suite 302, altered?

A No. No, I didn't see any changing. I saw normal typing and things like that.

Q Were you at work on Saturday, November 22?

A No.

Q Not on November 23 either, that Sunday?

A Sunday I was in.

Q During what part of the day?

A Around noon, 1:00.

Q And who did you find in the office when you were there?

A Jacques Sharfen.

Q Was North there?

A He wasn't there when I got there. He came in subsequently.

Q Anyone else there aside from you and Sharfen?

A No.

Q And it was normal work while you were there on that Sunday?

A Well, there wasn't much normal at that point.

Q What were you doing on Sunday?

A I came in to go through message traffic to see how things were going, if there was anything that needed to be done. Jacques was there and he said that two Justice Department attorneys were in Ollie's office. I could see that they weren't when I went upstairs. He said they must have gone to lunch, so I went through my cable traffic and went up to my office.

Q Did you have any discussion with North on that day?

A Just when he came in he asked if he could get a ride to the Attorney General's office. He had to go see him that afternoon. I said fine, I'd be glad to give him a ride and I took him over there and dropped him off and went home.

Q Any conversation in the car?

A Just social conversation -- nothing specific.

Q Okay, fine. Monday, the 24th of November, did you have any conversations with North on that day about the investigation of the Iran matter?

A I asked him how his meeting with Meese went, if he'd been called in to talk to the Justice Department people. He said it went fine, no problems, no particular problems.

Q Okay. Was that the only conversation you recall having on that Monday, the 24th, about the Iran matter or the investigation?

A That's the only specific thing I recall. I don't recall anything.

Q Now Tuesday, on the 25th, you watched the Attorney General's press conference?

A That's correct.

Q In your offices?

A Yes.

Q And you were upstairs?

A Yes.

Q And Colonel Earl was watching with you?

A I don't know that he was with me. I was back in my little suite and I was looking out at the set. I don't think he was up there with me.

Q You heard the Attorney General announce, among other things, evidence of what I think he referred to then as the diversion of the proceeds.

A Yes.

Q From Iran to the contras.

A Yes.

Q And that was, as you've testified, the first time you had heard about that?

A That was a big shock.

Q Did you ask Colonel Earle any questions about that when you heard it?

A I don't recall asking Earle. I remember going downstairs as soon as I heard it and asking North about it, and asking what the heck was going on, or words to that effect. And he just sat there and shrugged and didn't say anything. I mean, I took it to be true, based on this thing, and so I went back up to see what other little bombshells I would be hearing that day.

Q You don't recall asking Colonel Earle on that day whether he had known about the so-called diversion?

A No, I don't recall asking Earle about that. The only time in which I found out that Earle knew anything about it was I had gotten a call from or Reed had gotten a call, I guess -- I think it was me -- from Ron Sable, who was the NSC Congressional liaison, and he asked if we were aware of some memo that talked of the diversion and asked that we both come up to his office.

Earle and I went up to his office and he asked us if we knew anything about this memo. I had never seen it and didn't know about it, and Earle had said that he had seen it from North on Monday morning.

Q Monday the 23rd?

A Yeah.

MR. MC GRATH: The 24th.

BY MR. BELNICK: (Resuming)

Q Twenty-fourth, rather. Thank you.

A And Ollie had pointed to a paragraph in the memo saying this is where it talks about the diversion or something like that.

Q And that was the first time you had heard of or seen the document?

A I still hadn't seen the document. Earle was just describing the fact that he had seen the document.

Q That was the first time you'd heard about that document?

A That's right.

Q And you never saw a document prior to then that recited anything about taking money from the Iran matter and using it for the benefit of the contras?

A Not that I remember, no.

Q Now I want to take you to the day when you participate in a conversation on the second floor landing at suite 302 with Colonel North and Colonel Earl. Do you have in mind the conversation I'm talking about?

A I know what you're talking about.

Q Now do you remember what day that conversation took place, whether it was on the same day as the Attorney General's press conference or the next day?

A I frankly don't recall exactly, but the more I think about it in trying to put these things into some sequence I would have to put my money on Wednesday, that it was on a Wednesday. But others have suggested it was on Tuesday.

Q You're not 100 percent sure?

A I'm not 100 percent sure, but my guess is, if I had to put money on it, I'd put it on Wednesday.

Q In any event, it came after --

MR. MC GRATH: You might want to explain why you think it's Wednesday.

THE WITNESS: Well, the reason I think it's Wednesday is because I think the point in the conversation that you're interested in is reference to the President.

BY MR. BELNICK: (Resuming)

Q Correct.

A And when I've been asked about this before I frankly didn't have any -- that's not the part of the conversation that I remember. But through questioning I'm trying to come up with how I recall the conversation, is essentially the President calling Ollie. It was a confirmation of the President calling Ollie, saying that he was sorry that he had to let him go. And prior to hearing about Secord's testimony I was under the assumption that the President had called him at home. I didn't think that he had called him in the office. I was pretty sure I would have heard about that.

And I have some recollection of a newspaper article that said the President had called Ollie. So if he had called him on Tuesday, it couldn't have been a newspaper article, so I'm assuming it was on Wednesday.

Q Okay, fine. Assuming it was on Wednesday, tell us what you recall about the conversation -- and this is a conversation involving you, Colonel Earl and Colonel North?

A Well, it was in the evening and Ollie had come in and had walked upstairs and was going to say goodbye and see you later. I had heard him come in and he was over talking to Bob and then I think he came over to my side, but he may not have. I could have walked out into the open area there.

And Ollie said he was sorry it had to end this way and didn't mean for it to end this way, didn't think it would end this way.

Q Ollie said that he, Ollie, was sorry?

A Yeah, and I remember him kind of banging his hand on the bannister and thinking it was too bad all this had to happen. And then there was some mention of the President's phone call, that he had in fact called and said he was sorry that he had to let Ollie go, but he had to -- something along those lines.

But that's about it.

Q I believe you told me when you spoke prior to today, Craig, that you joined that conversation with North and Earl after it had been in progress.

A Yeah, I think that's true.

Q But so far as you know the President's phone call to Ollie was a subject that came up while you were there. That's the impression anyway, as I understand.

A I suppose so.

Q You have no way of knowing?

A No.

Q Now do you have any recollection of hearing Oliver North say, in words or in substance, that the President had also said to him -- that is, North -- during that telephone conversation that there were certain things that he, the President, couldn't know or shouldn't know?

A No, I don't recall that.

Q Nothing like that at all?

A No. That sounds too much like a Watergate-James Bond kind of thing. I think I would have recalled something like that, and it just didn't strike me as anything like that in the conversation, and it doesn't match anything that I heard or happened subsequent to that. When I was first asked to go up and testify to the Senate Intelligence Committee, I mean, all the words we got were tell them everything you know.

So that's why I've been here willing to do that and anxious to do that.

Q Have you been told that Colonel Earle has a distinct recollection that North said about the President's call that the President had said to him, in words or in substance, that there are certain things that I as President can't know or that they tell me there are certain things that I can't know? Has anyone told you that Colonel Earle distinctly recalls North saying that about the call?

A No.

Q I've just told you. Does that affect your recollection in any way?

A Not really.

Q By the way, when is the first time that you recall, Craig, that North had talked about a phone call from the President during that landing conversation?

A When I was over talking to the Independent Counsel they asked about the same conversation and they asked me to recall the conversation, and my recollection initially was just of Ollie saying goodbye and hanging his hand. They asked specifically about the President and that conjured up some memory of that conversation, but that's it.

And I've scoured my brain, you know, trying. It feels like a toothpick or with a grinder, you know, trying to find the little brain cell in there that may have heard something like that, but I can't find it. It's just not there.

Q But prior to the time -- and I take it that's within the last month or so -- that the Independent Counsel said to you wasn't there a reference to the President and a Presidential call to North in that landing conversation you hadn't recalled that there was any reference to the President?

A That was not the event in the conversation that springs to mind. I hadn't even thought about it, to tell you the truth. It was not something that when you ask me to describe something that I would throw in as something to describe the event.

Q Do you know whether it was typical for North to have conversations with the President?

A Typical?

Q Yes. Did North talk about conversations with the President regularly?

A No. He said he met with him and talked with him on occasion, but it was not a typical, everyday occurrence.

Q Was it unusual for North to talk to the President, so far as you know?

A Yeah, I think so.

Q Let me ask you a little bit more about Iran. If I refer to the second channel in connection with the Iran initiative, do you know what I'm talking about?

A Yes.

Q Did you have any meetings with the second channel?

A Personally?

Q Yes, sir.

A No. Well, I met him as he came into the office to meet with North and Secord and George -- I think it was George, George Cave -- and Hakim, and then they met behind closed doors. And then he came out at some point in the afternoon looking for a prayer rug or something to pray on. We didn't have anything, so I gave him my gym towel.

He went into Earle's office and sat down on the prayer towel and did his thing.

Q And did he immediately turn into an athlete?

A No. I've become quite a good distance runner, though.

Q Did you get your gym towel back?

A I got my gym towel back.

Q With an inscription?

A No.

Q No cake, no nothing?

A No cake, no key, no Bible -- nothing -- just my gym towel back, although I have to confess it's been washed.

Q Aside from that event, did you have any participation in negotiations with the second channel?

A No.

Q You are aware of something known as the seven-point proposal in connection with the second channel?

A I've heard it referred to as seven, nine and 11, so I'm aware of that.

Q Well, I have heard about a seven-point proposal and a nine-point agreement, so we're probably talking about the same things. Have you ever seen either? Have you seen a seven-point proposal or a nine-point agreement or anything like that?

A I don't recall seeing anything written down. I recall conversations with Ollie in which he tried to describe a sequence of events which I've subsequently come to know is probably the seven or nine or whatever-point plan it is.

Q Did you have any conversations with anyone in the CIA about the seven-point or the nine-point?

A Yes.

Q Tell me with whom and about what and when.

A It was subsequent to all of the revelations about this.

Q So it's after November 25, after the Attorney General's press conference?

A Yeah, well after that. And I'm fairly certain -- Ollie had clearly left. I'm fairly certain that Bob had left the NSC, and so it probably was in January and people were trying to figure out, you know, what this was all about and asked if I knew anything about it. I didn't know it specifically, so I called [redacted] to ask what he knew about it, wrote it down, and then gave it to Dennis Ross.

Q Okay. And is that the sum total?

A I think so. I gave it to Ross and we talked about it. I think that's it.

Q Any further involvement after that with the second channel?

A Involvement with the second channel?

Q Yes -- negotiations?

A Only to the fact that when the State Department sent an ambassador with George Cave to meet with --

Q That was Ambassador Dunbar?

A Dunbar. His reference paper, talking points, that he was supposed to take with him -- I'm trying to think how I got aware of that and involved with it. I can't remember specifically, but there was some disagreement between CIA and State Department over how they wanted to handle the talking points and what should be said.

I was involved with the conversation with Al Keel, and I think Dennis Ross was involved in that business, too. I'm fairly certain he was. And then there was some changes made to those talking points to accommodate CIA and State Department.

Q Coy Exhibit 1 is a one-page document that has just been marked and bears our Bates stamp N-9538.

(The document referred to was

marked Coy Exhibit Number 1 for identification.)

Did you write that document?

A It looks like my writing.

Q Could you tell us what it is?

A I think I know what it is. I think it's the computer programs that you set up in the message traffic in order to have messages sent over to certain files.

Q You'll have to do that again.

A Let's try it one more time. There are, as the cable traffic comes in, the computer can scan the messages for key words, and so you can generate your own message log or message file of cable traffic that comes in based on key words.

Q A computer file?

A Yeah. So you type in some commands like this and then you run it and the messages come into your file. And this was to try to help me understand how to run the computer.

Q So you could do it at the terminal on your desk?

A Yeah.

MR. MC GRATH: Do you remember when you wrote this?

THE WITNESS: It would have been in the summer sometime.

BY MR. BELNICK: (Resuming)

Q Summer of?

A '86. That's what I'm guessing.

Q Okay. And who gave you these instructions? Do you recall?

A One of the computer wizards in the computer room.

Q Do you have any computer expertise yourself?

A A little bit. I can play with them some. If somebody teaches me, I can walk through it.

Q I was going to ask you to come in and fix mine.

Let's mark this as Coy Exhibit 2. Coy Exhibit 2 are two PROF notes, the top one from Earle, apparently, to Commander Coy, dated October 6, 1986, and then there's another one at the bottom.

(The document referred to was marked Coy Exhibit Number 2 for identification.)

Would you take a look at those notes?

A Um-hum.

(Pause.)

Q Do you recall seeing these notes around the time of the Hasenfus shootdown?

A Yes.

Q Did you know what Democracy, Inc. was at that time?

A I knew -- I had an essence of what it was.

Q What did you think it was?

A It was the code name or the jargon Ollie used to describe the activities for the contras.

Q The activities involving who?

A Well, I'm not sure at this time whether I knew specifically or not, but I probably did, that it was Secord.

Q And what activities?

A The airlift, providing military supplies.

Q And for how long had you know that that was going on?

A I'm not sure exactly, but having come in in March or so and kind of just picking up bits and pieces and reading newspapers and hearing things going on in the office, I would guess in the summer sometime.

Q Were you formally briefed into that matter by anyone?

A No.

Q Did you learn it again just sort of fortuitously?

A Just kind of picking bits and pieces up.

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Q And what did you understand North's role to be in connection with this military airlift?

A Well, it was never really clear to me exactly what his role was. I knew that was his account on the NSC and that was something he was supposed to be doing and supposed to be following. I never saw him or attended any meetings where he gave any direct orders, but I saw a number of people come into the office and he would talk of his involvement with this, his attempt at running a war from his desk, and that type of thing.

But I discounted a lot of that. There's only so many hours in the day and there were other things going on. I just thought it was kind of bragging, if you will, or boasting of doing more than he really was doing, but that he was involved in it certainly.

Q So that when the Hasenfus plane went down you knew that that was a flight that North had been involved with in some way?

A I didn't know initially.

Q Well, it went down on the 5th, and this note is dated the 6th.

A Yeah. But I didn't know how many different airlifts there were and I didn't know if Secord or Singlaub -- you know, it could have been somebody else. I didn't know exactly who it was and when it was.

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Subsequently I found out that it was Southern Air Transport and Secord and Hasenfus worked for them.

Q Let me just understand what you understood when you got a note on October 6 that said "yesterday one of the Democracy, Inc. aircraft apparently went down." At least you took that to be a reference to a mission in which North was involved in some way?

A Yes.

Q Now discounting for the exaggeration that you say you believe North engaged in, you have told us that you knew he had some involvement with this military airlift going back several months, correct, to the contras?

A Yes.

Q Did you ever ask North whether he had received any legal advice on the propriety of that involvement in light of the Boland Amendment?

A I had asked him -- I don't recall any specific conversation prior to that other than I was always under the assumption that it was legal.

Q What did you base that assumption on?

A Just the fact that he was doing it. I mean, and that Poindexter was aware of it.

Q How do you know Poindexter was aware of it?

A Well, because Ollie had a private line to him on his PROFs note.

Q A private blank check?

A Yes.

Q Did you know that at the time?

A Yes.

Q Who told you about that?

A Ollie did.

Q Did you have a private line to Poindexter?

A No.

Q Did Earl?

A No.

Q Earl said he set one up called Test.

A Test was set up -- he set that up because Poindexter had sent everybody a note testing his equipment or something like that, so if you got a note from Poindexter, you could reply to it directly. But, see, if you look on this --

Q Exhibit 2?

A If you look on Exhibit 2, see, it's a reply to a note of August 24, '86. If Earl hadn't received this note, he could not have sent anything back directly to Poindexter.

Q I see. You didn't have a channel like that?

A I used one during the Jacobsen release. Poindexter had sent me a note in which he said Admiral

Holloway -- I can't remember exactly, but it was Admiral Holloway, so I just replied to that because if you didn't reply to that directly it would go through a filter of McDaniel and in a sense you wanted to get it straight out to him. He was in California and you couldn't afford to wait for it to be cleared by somebody.

Q You used the direct channel. And that was the only time you had used the channel like that?

A That's correct.

Q Let's go back to the question. You say you assumed it was legal because Poindexter was aware of North's involvement with the military assistance to the contras, right?

A Yes.

Q And when I interjected I think you were going to tell us, but that there was a time --

A Ollie, when he was on one of his trips -- I'm pretty certain it was in October -- kept getting a call from a guy named Halevy, who is a reporter for Time magazine, and he kept asking where Ollie was and I wouldn't tell him and I didn't know when he was coming back. So he finally left a message saying that if Ollie needed a good lawyer he would help him find one.

So I just PROFed Ollie a note on that rather than calling on it, assuming that he would not need that information right away.

Q This was when, around October '86?

A I think so. And then I asked him when he came back if it was legal. He said yeah, it was legal and he wasn't concerned.

Q Did Ollie tell you on what he based his confidence that what he was doing with the contras was legal?

A Not specifically, other than the fact that it was legal.

Q Let me show you Coy Exhibit 3, which is a PROF message apparently from you, Commander Coy, to North dated September 18, 1986.

(The document referred to was marked Coy Exhibit Number 3 for identification.)

Did you write that?

A I don't know. It looks like it.

Q It's about Charlie Allen. "Charlie called to say he was on the way over to talk to the lawyers re the [redacted] et cetera. What [redacted]

A I don't recall writing this one specifically, but reading it and the [redacted] what that would refer to is that they wanted to [redacted] [redacted] when he came to town and they wanted to [redacted]

[redacted]

Q Okay, fine. Just a few more things will wrap it up.

Would you mark this as the next exhibit, Coy Exhibit 4. This is a group of PROF messages on page N-17676.

(The document referred to was marked Coy Exhibit Number 4 for identification.)

I am interested specifically, Craig, you will see in the second message from you, dated October 30, '86, Subject: Help. It says "Kagan called to say the transaction you" -- and that's speaking to North -- "were to arrange is desperately needed by the people who need the help." Do you see that message?

A Yes.

Q Do you recall what that was about?

A Yes.

Q Okay. Could you tell us?

A Again, on one of the trips, if not the same trip --

Q To Central America?

A No. He was in Europe. This guy Bob Kagan, who works over at the State Department, kept calling, wouldn't leave a message. Finally, you know, he said tell Ollie that if -- that the office needed the $25,000 and they need it right away. So I PROFed this note to him. That was the first time I had heard anything about any money or that kind of thing.

When I told Ollie about it, he was upset that Kagan had told me that because it was none of my business, and I think he called Kagan and told him that.

Q Did Ollie tell you what the $25,000 payment was all about?

A No.

Q Have you found out?

A No.

Q Did you hear Ollie at any time talk about someone known as [redacted]?

A [redacted]? I don't recall that name.

Q So you were simply conveying a message that to this day frankly you don't know the details of or anything about?

A Other than what I just said, that Kagan said the office needs $25,000 and Ollie had to do it, had to get the money to them or something.

Q Do you know to what office Kagan was referring?

A I can't recall if he told me specifically, but my assumption was some contra office or Nicaraguan contra office.

MR. BELNICK: Off the record.

(A discussion was held off the record.)

BY MR. BELNICK: (Resuming)

Q Coy Exhibit 5 is a group of --

A Well, this is the beginning.

Q It's a group of handwritten notes numbered N-9470 through N-9373.

(The document referred to was marked Coy Exhibit Number 5 for identification.)

Commander Coy has just pointed out that the true first page of this exhibit should be N-9471. In any event, are these your handwritten notes?

A Yes.

Q And could you tell us when you wrote them and what they are about?

A Well, it looks like I wrote them on the 18th of November at 1:30 and what this is a summary of Ron Sable had been over to CIA and met with Congressional staffers and people over at CIA during the preparation of the chronology, and these were questions that came out of that meeting, and Ollie had asked me to take notes while Ron was there because he was sitting at his desk and I was just at the table, so I took notes and left them for

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Ollie, so that these questions would be answered and cleared in the chronology.

Q Two more and then I'm done. First this one, Coy Exhibit 6, is a two-page document, our numbers N-8868 through 69.

(The document referred to was marked Coy Exhibit Number 6 for identification.)

I'm handing it to the witness. Craig, do you remember this document. And, if you do, tell us what it is.

A Well, the subject is 1986 chronology of CIA involvement in NSC something.

Q Is that a chronology you received from the CIA?

A Apparently so.

Q Was this while you were working on preparing the NSC Iran chronology?

A Yeah, I guess so. I think [redacted] -- I'm not sure. I'm not sure who he is. Is he a lawyer? I had spoken to a lawyer out at NSC on this chronology who had said that there were some discrepancies between the CIA chronology and North's chronology, and wanted to send down what the CIA was using. So I said fine, send it down. And so it's delivered by Washfax.

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MR. LEON: Do you mean a lawyer out at CIA you were talking to? You just said a lawyer at NSC.

THE WITNESS: Oh, at CIA.

MR. MC GRATH: Do you have a firm date on this cover?

MR. BELNICK: That's the best we have.

BY MR. BELNICK: (Resuming)

Q What did you do with this chronology?

A I'm sure I gave it to Ollie.

[redacted]

[redacted]

Q Do you recall any conversations with North, Craig, in which he told you that it had been decided -- and this would have been probably conversations in November -- it had been decided that he would be the scapegoat for what had gone wrong with the Iran initiative?

A No, I don't recall anything, him saying that he would be the scapegoat. The only thing I recall is that at some point during the preparation of the chronology and prior to the Justice Department investigation he called Bob and I in and said you guys need to work on what else is going on in the office. Poindexter wants Ollie, or him, to be the man in charge of the Iran thing and you guys stay out of it.

Q Did you ever receive instructions from anybody to shade the facts in the chronology in any way?

A No.

Q Did you ever hear that something like that was going on?

A No.

Q When is the last time you spoke to North?

A November sometime.

Q Shortly after he left the NSC?

A Yeah. I ran into him at a stoplight in our cars. The cars pulled up, as luck would have it, together. I hollered through the window.

MR. BELNICK: I have no further questions. Thank you for coming down, and I'm sorry we were delayed in starting. Rich?

EXAMINATION ON BEHALF OF THE HOUSE COMMITTEE

BY MR. LEON:

Q I have some questions. It is probably easiest to go in chronology and go over some of the things Mark's been going over with you.

Let's start with the events around about the 21st.

A That's Friday?

Q I have a copy of Ollie's calendar you can look at if it might help refresh your recollection. He met with Michael Ledeen that morning at Ledeen's house. Did he tell you about that meeting?

A No.

Q Were you aware he'd been over there at all?

A No.

Q He also had a meeting at 1:30 that day, according to his calendar, with Admiral Poindexter. Were you at that meeting?

A No.

Q Did you know he had a meeting?

A I probably did. I mean, that he was going over there.

Q But no specific recollection of it?

A No.

Q Or him telling you about it afterwards, what had happened at the meeting?

A On Friday?

Q Yeah.

A No, I don't recall anything.

Q According to his calendar, Ledeen stopped in later that day at his office about 3:30 in the afternoon. Do you have any recollection of Ledeen visiting that afternoon on Friday?

A No, I don't. I don't recall that.

Q Do you know a fellow named Tom Green?

A Yes.

Q Who's a lawyer in town?

A Yes.

Q He visited Ollie, according to his schedule, at 5:30 that evening. Do you remember Green stopping in?

A I don't know if I remember him coming in that day, but I remember him coming in the subsequent week or some other time in which Ollie introduced him as his lawyer. It could have been that time.

Q I wanted to ask you about that. That was in the summer, in July. There was a period in July of '86, I believe, where Ollie had lunch with Leonard Garment on one occasion and Tom Green a week or two later. Do you remember that? Do you remember those incidences?

A No.

Q The instance when you were introduced to Green, what did Ollie say about him besides the fact that he was his lawyer?

MR. MC GRATH: When do you recall being introduced to Green?

THE WITNESS: November, I think.

BY MR. LEON: (Resuming)

Q November?

A I think so. That's my recollection of it.

Q So you don't have any recollection of meeting Green in the summer of '86 at the office?

A I don't think so.

Q What can you recall about what Ollie said about Green on the occasion when you did meet him?

A Well, the only thing I recall is that that was after the Justice Department investigation and he had come in with Green.

Q On Sunday?

A No. Green wasn't with him on Sunday. It would have been Monday or Tuesday of the following week, and said that he was his lawyer and Green kind of stayed in tight formation with him anywhere that Ollie went. They went to his office and closed the door.

Q Was this before or after his office was sealed off, if you can recall?

A I think it was before.

Q Did you at any time go in the office when they were in there together?

A No. Just when they came in I might have stuck my head in and said hello and then closed the door.

Q Do you recall seeing them reviewing papers together in the office?

A No.

Q Now on the day before the 21st, on Thursday the 20th, there was a meeting over in the White House that Ollie attended -- Attorney General Meese, John Cooper, the DCI, Mr. Casey, George Cave, and Admiral Poindexter. Were you at that meeting?

A No.

Q Did Ollie tell you after the meeting what had happened there?

A If he said anything about it, I don't have any recollection of it.

Q Did he mention to you that the purpose of the meeting was to review Mr. Casey's testimony for the next day, the 21st, in preparation of his appearing before the Committees?

A I knew they were meeting on that subject at various times, so I don't have any recollection of that specific meeting, but I knew that all this work on the chronology was being done to prepare for testimonies.

Q Okay. Did Ollie ever indicate to you before that meeting or after that meeting why it was the Attorney General himself was being asked to attend a meeting to review the upcoming testimony of Director

Casey?

A No.

Q Does it strike you as odd?

A No, not really, because he's the Attorney General, and if there is any legal question about it --

Q Well, let me put it to you this way. On reflection, does it strike you odd that Peter Wallison or one of his representatives wasn't present at that meeting, the White House Counsel's office was not represented and yet the Attorney General was?

A I didn't know they weren't at the meeting.

Q Well, I'm telling you they weren't. So accept that for the sake of discussion.

A Not really. I mean, I don't have any thought on it one way or the other.

Q Were you aware from talking with Ollie or Bob Earle or the Admiral or from any other source that Admiral Poindexter had some reluctance to rely upon or use Mr. Wallison and his office for legal advice? Did you ever hear discussion along those lines?

A No. I've seen it subsequently, and I think there was something in there -- maybe it was in the Tower Commission or some report of that subsequently, but I didn't have any firsthand conversation or knowledge of that.

Q You don't recall that being the subject of discussion around the office or Ollie bringing it up or anything like that?

A I don't recall any specific conversation like that. There was always the reluctance to talk about anything outside of the NSC for fear of leaks or by what was called derisively the "mice" around Don Regan people assumed were leaking things all over the place. So there was that concern in general, but I don't recall anything specific about Wallison.

Q Do you think Ollie regarded Wallison and his people as being aligned with Donald Regan?

A I don't know what Ollie thought on that.

Q He never commented on it?

A He never commented on it.

Q I think you just commented a while ago about Ollie making some remark about running a war from his desk.

A Yeah.

Q What was the context of that again? Was he saying it jokingly?

A I don't recall. It was kind of in -- I recall it as a time of being tired and saying this is ridiculous, you know, trying to run this war from my desk.

Q Kind of a flippant comment?

A Yeah. We've got a whole Pentagon for running wars and the idea of having a guy run a war from a desk seemed implausible to me, but that was the comment he made.

Q Had you seen anything to indicate prior to that comment being made that he actually was directing any type of war type activities in terms of troop movements or anything that would be the kinds of decisions as part of running a war? Had you seen anything to indicate that?

A I didn't see anything going out of the office from Ollie. I would see cable traffic and the KL-43 traffic which would come in with information about an air drop being here, a cancelled air drop or something along those lines, but I didn't see any operational orders.

Q Or any requests for decisions on strategic movements or anything like that?

A I don't recall anything like that.

Q Now did Bob Earl ever tell you on the 21st or any time afterwards that Ollie had requested him to bring to Ollie a set of documents that he had been working on relating to the Iran initiative?

A I don't understand.

Q On Friday, the 21st, did Earl ever comment to you on Friday the 21st or any time that Ollie had asked him, Earle, to bring Ollie a set of documents that he had in his possession relating to the Iran initiative?

A I don't recall that day or that time frame, but at the beginning, the first of November, Ollie had asked Bob to see if he could start putting together some chronology of things on this Iran thing, so Bob had some documents he was trying to go through and put these things together. Bob was having a hard time because he didn't know what was going on in the thing, so it kind of just -- I think he eventually said he couldn't do it and turned it over to Ollie.

But Ollie specifically asking on that day? I don't recall anything. It wouldn't have been unusual, though.

Q Well, let's put it in a more unusual sense. Did Bob Earle ever tell you that Ollie asked him to give him documents so that Ollie could destroy them?

A No.

Q For the purpose of protecting a compartment or for any other purpose?

A No. I never heard that.

Q If you'd heard that, would that have set off a red bell or some kind of warning sign to you?

A Yeah, I think it would.

Q What would be the concern that would have gone off in your head if you had heard that from Earle or someone else?

A Well, that sounds like -- it's like a Watergate kind of thing and destroying documents and some attempt at a coverup. So that would have sent red flags to me on that type of thing.

Q And you never heard that Earle had done that or Earle never told you that?

A No.

Q Did you ever type a PROF note into the system on behalf of anyone else using their name as the person it was being sent from?

A I don't think so.

Q Did Ollie ever say to you type up a PROF note to somebody from me and send it off?

A No.

Q Do you know of anyone else having done that for somebody else? Did you ever ask someone to do it for you?

A No.

Q Are you aware of Bob Earle ever doing it for Ollie or anyone else?

A No.

Q Was there any kind of rule against doing something like that?

A No. It just sounds to me like forgery. You use your own system and there was a password to get into it, so unless the machine was left on and open, you couldn't do that.

Q I'm not suggesting forgery. I'm just suggesting a situation, because I've never worked over there. Are there situations where someone would call and say would you send somebody a PROF note for me. I just can't get to my machine. I don't know if that's the kind of thing that happens or doesn't happen. I was just wondering if that's the kind of thing that goes on.

A If that had happened, I think I would have used my own machine with my own name. I don't recall. I don't have any recollection. I don't think I've ever done that or had anybody do that.

Q When Kagan told you the story about the money, Exhibit 4, the $25,000 to be sent down, what was your reaction to that?

A I was surprised.

Q Were you concerned that there might be a question of legality surrounding it?

A Yeah.

Q Did you share that concern with Ollie?

Q No, I didn't share it directly with him. I just passed on the message to him, and I frankly wanted away from it. I just didn't want to -- it was something he was dealing in and I was just passing the message.

Q He obviously expressed that he was concerned or upset that you had been told about that.

A That's right.

Q Now that was October 30, I believe, was the date on the PROF note.

A Okay.

Q Would that have been at a point in time before or after you had asked Ollie on at least one occasion is what you're doing legal?

A I'm pretty sure it would have been after.

Q Okay. So here's my question to you. In light of having had a prior concern as to the legality of Ollie's conduct and now having seen an event that by your own admission was surprising and maybe questionable, did it occur to you at that point that maybe you had to besides going to Ollie go to someone else above him to see if there was a problem here?

Did you consider that?

A Well, I've got to confess I did not consider that. On reflection, you know, over the past months of wondering if I should have done something different or could have done something different, I have thought about what I would have done or what I should have done differently, and the only thing I can think of is I would have gone to Poindexter or to Thompson, who was the General Counsel.

And I guess my assumption at the time, although I didn't reflect on it directly at that point, was that they were aware of all this stuff going on anyway, number one, and, number two, I really wasn't supposed to know about it anyway, so I just didn't do anything.

Q Well, let me ask you this. You are a military person. You've been a career military. What is the military protocol? What is the military guideline in a situation where the person that you answer to might be doing something that you have reason to think is questionable legally and you have no reason to think that person is going to address it and yet you feel there is a need for it to be questioned? What does it call for in the military that you do in a situation like that?

A You go up the chain of command.

Q So who would have been the next step over Ollie for you in your chain?

A Well, in this particular case, with the compartmentation that was going on, it would have been Poindexter.

Q Were you aware of any situations where anybody had ever done that, had gone to the Admiral on a matter regarding Ollie, had gone over him to question something Ollie was doing? Had you ever heard of a situation like that?

A No.

Q You'd never done that?

A No.

Q Do you know if Earle had ever done it?

A Not that I'm aware of.

Q On the 24th, Monday the 24th, according to Ollie's calendar, there was a RIG meeting or IG/N meeting. Elliott Abrams and Walker [redacted] were there, a bunch of other people, Ollie and Sanchez. Did you happen to attend that meeting?

A No.

Q Did you hear any discussions about what happened at the meeting afterwards from Ollie or anybody else?

A I don't recall the meeting. You say it's on the calendar. I don't have any reason to doubt it, but I don't have any recollection of anything about that -- Central America.

Q Nicaragua?

A Nicaragua. That was out of my thing, so I would not have been backbriefed on that at all.

Q Now in the conversation that Mark asked you about right at the outset or near the outset of this deposition you testified, I believe it was, that you got there late. It had already started, the conversation between Ollie --

A You are talking about at the top of the landing?

Q Right, the one on the 25th. Well, it could be the 26th -- either the 25th or the 26th, depending upon when it was. Let me stop there a second. If it was the 26th --

A That's Wednesday.

Q Right. Would that have been after Fawn had told you about destroying documents?

(Pause.)

A I don't know if I can put it into any kind of a sequence. It could have been. Let's see. I met with the FBI on Saturday --

Q The 29th would have been the following Saturday.

A I think that's the date I met with them for the first time. Thursday was Thanksgiving. I think Friday was a holiday. I don't know whether I came in on that Friday. So yeah, I guess it probably would have been on the Wednesday.

Q What would have been on Wednesday?

A She would have told me on Wednesday, I guess. I don't know. But I'm trying to fit things together. I guess that's when it would have been.

Q What I'm trying to do is help you in the recollection putting things in sequence and find out if you can recall whether the conversation at the head of the stairs was before or after you had heard from Fawn about her destroying some documents.

A I just can't --

Q You just don't remember?

A I just don't recall.

Q The reason why I ask is this. You just testified a minute ago about, you know, bells going off or could go off under certain circumstances, and I believe you testified that when Fawn told you about destroying documents on that occasion something went off in your head and you said to her that wasn't too good an idea. What I'm trying to help you recall is if your conversation with Ollie at the head of the stairs was after you talked to Fawn had you considered bringing up to him, hey, wait a minute, Ollie, you know you have got to be careful about the documents or things to that effect?

A No. Because once the office was sealed and Brenda Rieger was sitting in the office, nothing could happen without her knowing about it.

Q No, no, I don't mean in that sense. I mean in the sense that, hey, Ollie, you better talk to your lawyer about that fact, that Fawn told me about it. I mean, that could be serious in that kind of a sense, not that he was going to do more of it, but in the sense that hey, you know, that's something that's really questionable -- as a friend.

A I guess my thinking was, you know, if in fact that's what happened and Fawn told me it did happen, that was really stupid, my telling Ollie at this point wasn't going to help anything in any way and my intention was to tell everything I knew anyway about this thing. So I didn't want to prejudice anything that was going on in the business.

So my thinking was not along those lines at all.

(A discussion was held off the record.)

Q Did you comment to Bob after you had heard that from Fawn what she had told you?

A I don't think I mentioned it to Bob.

Q Okay. When you joined the conversation at the top of the stairwell, whatever day it was, from the point that you joined into the conversation to the point that you left the conversation, did you leave it when it ended or did you leave while it was still going on?

A It had ended. Ollie was walking down the stairs to go out the door.

Q So from the point you joined the conversation to the point it ended were you always proximate enough to Ollie to hear what he was saying? Were you able to hear what he was saying?

A Until he got down to the bottom of the landing I think I probably was.

Q Were you always standing next to Bob Earle or close to him?

A Probably the same distance between you and me, five or six feet. Ollie was over there in front of us.

Q So how far was Ollie between you and him?

A Like across the table here, three, four, five feet.

Q And there was no one standing between you and Ollie?

A No.

Q And there was no loud noises in the background?

A No.

MR. LEON: That's all I have.

MR. BELNICK: Thanks very much. Thank you, Dean. Thank you, Craig.

(Whereupon, at 10:41 a.m., the taking of the instant deposition ceased.)

____

Signature of the Witness

Subscribed and sworn to before me this _________ day of

_____________________, 1987.

____

Notary Public

My Commission Expires: __________________________________

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of the

U.S. HOUSE OF REPRESENTATIVES

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RPTS STEIN
DCMN DANIELS

DEPOSITION OF IAIN T.R. CRAWFORD

Friday, March 13, 1987

House of Representatives,
Select Committee to Investigate
Covert Arms Transactions with
Iran,
Washington, D.C.

The select committee met, pursuant to call, at 11:00 a.m., in Room H-328, Cannon House Office Building.

PRESENT: Ken Ballen and David Addington, House Select Committee to Investigate Covert Arms Transactions with Iran; and Richard Parry, Senate Select Committee on to Investigate Covert Arms Transactions with Iran.

ALSO PRESENT: E. Cooper Brown, 3935 Laurel Avenue, Takoma Park, Maryland, 20912, on behalf of the witness.

Partially Declassified/Released on 12 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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MR. BALLEN: Just for the record, we are all identified, so I need not proceed with identification. You have received a copy of the rules before we begin this proceeding.

You have also received copies of subpoenas from the House Select Committee and have turned over certain documents in compliance with those subpoenas. Is that correct?

MR. BROWN: That is correct.

MR. BALLEN: I think it might be helpful just for the record to briefly go through the documents that have been provided for you in compliance with the subpoena.

BY MR. BALLEN:

Q Are there any documents that you have not supplied pursuant to the subpoenas issued to you?

A My accountant may have bank records or something like this which could possibly have something in them. I have gathered together what I have and tried to do 100 percent of it.

Q If there are any documents that, either through inadvertence or whatever, were not turned over, the subpoena is a continuing obligation and, of course, you will provide those to us.

A Yes.

Q Do you have an opening statement you wish to read for the record?

A Yes.

Q Why don't you do that.

A As I present myself to the committee, I would like to state for the record that during my employments, dealings and association with John Cupp and Richard Gadd, that I was given the impression and I believe that my involvement in procurement and also my services were in accordance with policies approved at the highest level of the United States Government.

I have discussed with my counsel, and I fully understand my Fifth Amendment rights. I waive these rights at this time.

I do this in order to cooperate fully with the investigation. I do this with the intent that a full disclosure of these events will provide an understanding of the mismanagement of the operation, that in my opinion was direct cause of an international incident and the loss of life associated with the downing of the C-123 in Southern Nicaragua on October 5, 1986.

In the last few months, my disclosures of the events to the news media have, in my opinion, caused some personal persecution.

I have talked to the media and this was all done to try to bring the events out.

Through a conversation with a friend of mine who is a crew member, [redacted] who had conversations with John Cupp; [redacted] had called me after these conversations and had relayed to me that John had said that if he had any influence with me at all, that he should influence me to stop talking to the media, to stay quiet for anything concerning this investigation and that if I did not--if I did not stay quiet, that either Justice Department probes would be forced upon me or that they would arrange to have every Government contract terminated from either myself or my company.

This, in fact, has happened and it has caused financial hardship upon myself and my company and the loss of a Fort Bragg $16,000 contract.

I believe that this is a direct result of my exercising my Freedom of Speech rights and at this point I would like to fully cooperate with the investigation.

BY MR. BALLEN:

Q We all appreciate your cooperation and your statement to us.

A Thank you.

Q I know that that speaks for all of us when I say that we appreciate your cooperation.

Let's just go through some of these documents that you have turned over to us. You have turned over to us 2 computer sheets of various billing invoices; is that correct?

A That is correct.

Q And within those computer sheets are also contained a summary, a chronology of the events that you prepared after the fact?

A That is correct.

MR. BALLEN: Just for all counsel, if they want to see these, I will just put them in the center.

BY MR. BALLEN:

Q In general, without going through every individual document, you have turned over to us business records of FORCE, Inc.

A That is correct.

Q Could you describe please what FORCE, Inc. is?

A It is a small textile manufacturing outlet that I own 100 percent of. I started it. We have 2,000 square feet and 32 sewing machines and produce luggage, backpacks, and last year we produced some air delivery equipment.

Q And in connection with that, you have turned over documents relevant to the supply of air delivery equipment to Richard Gadd's company; is that correct?

A That is correct.

Q You have also turned over certain calendars in connection with those contracts, personal calendars kept by you?

A That is correct.

Q And you turned over what looked like check stubs.

Can you describe those check stubs, please?

A When I received payment from Richard Gadd's companies, a check would come and attached to the check was a check stub explaining the breakdown of invoice billing.

Q When you say ''Richard Gadd's companies,'' for the record, could you tell us which companies--

A In my association with Richard Gadd, the company that I thought I was dealing with most was the American National Management Company. That was what was on the door. That is the business card I was given; although normally I was paid for supplies and equipment from East, Inc., and on one occasion I received a check with Airmach at the top, although I had never heard or seen anything to do with Airmach before.

Q Your business dealings were with Richard Gadd?

A That is correct.

Q In addition to those documents, you have turned over to us a trip report for Iain starting April 2, 1986.

What is this document, sir?

A That was the actual draft of a trip report that I sent John Cupp and Richard Gadd to basically tell them what I had done while under their employment during the first and also the second trip report for the second month that I worked in Central America.

Q And these trip reports were prepared at the time?

A Yes.

Q In addition, you turned over a W-2 that you had received from Edward deGaray; is that correct?

A Correct.

Q It is also my understanding that you feel that the full amount of compensation you received for your services was not reflected on that document?

A That is correct. I don't know whether that is because Mr. deGaray paid me at one point and Dick Gadd's company paid me at a different point, but I believe that in combination--my direct boss was John Cupp and Richard Gadd.

I believe that through my services to them that, yes, I received more salary than what this reflected on Ed deGaray's W-2.

Q Just to complete the documents--

MR. BROWN: One point of clarification. What is Mr. deGaray's company that you dealt with?

THE WITNESS: Corporate Air Services.

BY MR. BALLEN:

Q What was your understanding of why you were receiving funds from them if, in fact, you were working for Richard Gadd?

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A My understanding--

Q If any.

A I was never told why. It appeared to me and to--in conversations with other crew members, it was our opinion that it was just a way of laundering money and not having it traced back to Dick Gadd.

Q Were you told anything specifically by Mr. Gadd or anyone else other than in conversations with him, by various crew members?

A Nothing specific by Dick Gadd in relationship to Ed deGaray, no.

Q How did you receive payment?

A Wire transfers to our bank.

Q And that was the exclusive--let me rephrase the question. Did you receive payment by any other fashion other than wire transfer?

A Not for services rendered, only for the equipment that I sold.

Q And that would be reflected on the check stubs that you have submitted to us for the equipment?

A Yes.

Now, on my first month down there, I believe--I can't find it anywhere in records--is that John Cupp either wired me money from his bank for my first month services, so I believe that Ed deGaray paid me for one month and that

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East or American National Management paid me for another month.

I can't find the records. It should be in my bank statements or something.

Q You have turned over certain statements?

A Yes, I have.

Q And you have also turned over to make the review complete code lists that you had drawn up while in Central America?

A Yes.

Q And an identification card?

A Correct.

Q And a small document in Spanish?

A Yes.

Q That looks like some kind of a flight manifest.

A Yes--a load list, yes.

Q A load list?

MR. BROWN: Could we go off the record for a second?

[Discussion off the record.]

MR. BALLEN: Back on the record.

BY MR. BALLEN:

Q To clarify the payments from Mr. deGaray, did at one point in time when you were in service in Central America working for Mr. Gadd, did there come a time when you called deGaray concerning payments?

. A Yes. I called him on two or three occasions in reference to late payments.

. Q Why don't you tell us about that.

. A My basic contacts were John Cupp and Richard Gadd. After talking to them for about a month or so and working for them for a month, we were told not to call Richard Gadd, he had enough busy stuff on his mind and if it had to do with our pay, to call Ed deGaray.

. I called Ed deGaray and he informed me that he hadn't been paid, the money hadn't hit his bank account, so, therefore, he could not pay us.

. So I called John Cupp and Dick Gadd back and said, ''There is no sense in me calling Ed deGaray when you haven't paid him to pay us.''

. Q Who did you speak to, John Cupp or Dick Gadd?

. A Both.

. Q What was their response?

. A I was told to continue my contact with Ed deGaray and they would have the money soon and that Ed would then pay us immediately.

. Q After completing document review, let me just start by asking you some preliminary questions.

. It is my understanding you served for a period of time in the United States Armed Forces?

. A That is correct.

. Q Could you describe your period of service to us?

. A I entered the United States Army, signed my enlistment contract in June of 1974. I enlisted for the Special Forces Group as a parachute rigger. I was assigned to the Special Forces Group, stayed there for approximately 8 years, which I was assigned to [redacted] stayed there for 4 years, and was assigned back to the Fifth Special Forces Group for approximately a year and a half, at which point I was transferred and assigned to the 101st Airborne Division at Fort Campbell, Kentucky, and in September of 1985, I separated from the United States Army under my own willingness and received a normal honorable discharge.

. Q Now, your primary experience while in the United States Army was as a parachute rigger?

. A Correct. That was my military occupational specialty.

. Q And subsequent to leaving the United States Army, you set up your own business in North Carolina, FORCE, Inc., which you referred to earlier?

. A That is correct.

. Q To continue with your special, in effect, your trade that you had learned in the Army?

. That is an unclear question.

. A Yes.

. Q What was the business of FORCE, Inc.?

. A For years, I have been producing my own luggage and making modifications to backpacks. I wouldn't say it was a continuation of parachute rigs. I went into parachute rigs because I was already into sewing.

. Q How did it come about that you had first contacted John Cupp or Richard Gadd?

. A At a New Year's Party the 31st of December of 1985, 1 January 1986, I heard that somebody was looking for a parachute rigger to hire. I heard this through my mother-in-law.

. My mother-in-law acquired the telephone number for me to call. She gave me that number, and the next day, on January 1, I called the number; I believe it was in Alabama. I don't know who I talked to.

. I gave the man an overview of my parachute-rigging credentials and gave my name and telephone number and he said he would have somebody call me back.

. Q Subsequent to that time, did you hear from someone?

. A The next day, John Cupp called me back and said, ''Hello, is this the red-headed rigger I used to work with?''

. I didn't remember who John Cupp was, but in the next 15 minutes, I remembered that I had prior association

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with him in the Army.

Q What was the association?

A We were assigned to the same unit. [redacted]

Q What was that unit?

A [redacted]

Q More commonly known as [redacted]

A Yes.

He was a master sergeant in selection and training. I was a buck sergeant and I acquired the rank of staff sergeant over in the parachute rigger loft.

Q Could you explain to us who your mother-in-law is and how she happened to come into contact with the name of this person?

A My mother-in-law is Ellie Burton. She is a naturalized German who is married to a retired military person. They live in Fayetteville, North Carolina.

I don't remember whether or not it was her party--I don't believe it was her party. She was at another individual's house.

Q Let me just ask, you lived near a major Army base?

A Yes; Fort Bragg, North Carolina.

Q So you had a lot of contact with military people? Is that correct?

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A Correct.

Q So what your testimony is, if I understand it, is that somehow through this network of people, and you are not sure how the suggestion was made to you and you made the phone call?

A Correct.

BY MR. PARRY:

Q How was it explained to you, the nature of this venture, as a military operation or what did your mother-in-law--what had she heard?

A My mother-in-law only knew that somebody needed a parachute rigger. I thought at that point somebody needed something sewn, as somebody needed a parachute rigger, assembly of a parachute container, something like this.

In my conversation with John Cupp, that opinion had changed. Over the telephone he had told me that they would actually need a parachute rigger to work outside of the United States. He would not tell me where, that it would require flying at times, and actual delivery of cargo and that he would explain more of this in my job interview June 6, 7 and 8.

In my conversation with him on the phone, he said he needed--that if I wanted, I would be brought to Washington, D.C. for three days of employment at $150 a day and I would be briefed on the operation.

Q Let me ask you about FORCE, Inc. That is sort of an unusual name for a luggage company, but it would not be unusual for a company that outfits military ventures. In fact, I would think that you were looking for that type of business with a company by that name.

What percentage of your business was involved with preparation of air delivery equipment as opposed to luggage and backpacks?

A FORCE, Inc., stands for Fayetteville Office for Rescue and Combat Equipment. My company last year, about 50 percent of the income was associated with the contra airlift program. The other percentage is a combination of luggage for the golden flights, special assault gear [redacted] and custom orders.

Q Thank you.

BY MR. BALLEN:

Q After you--after the phone conversation with John Cupp, did you agree to go up to Washington?

A Yes, I did.

Q And that was in the beginning of January of 1986?

A Yes.

Q What happened--where did you go? Where did he tell you he was going to meet you?

A I was asked to be at 422 Maple at 9:00 o'clock January 26.

Q Where is that?

A Vienna, Virginia, and he told me at that point that I would see the American National Management Corporation, or ANMC, written on the door.

Q Did you go there?

A Yes, I did.

Q And what happened when you arrived?

A I was greeted by John Cupp, signed in on the guest book, went into his office, and we discussed that the job employment--he said that basically we would be working as a spinoff of project HOPE; that I would be asked to be a parachute rigger-load master aboard aircraft, which would be flying humanitarian missions supplying refugees in a newly created DMZ. He would not tell me even the hemisphere or location of the employment.

Q After your conversation on this subject, what then happened?

A John informed me that for the next two days, they would like me to go to Pennsylvania and take a deposit for purchase of approximately $70,000 worth of air delivery equipment and that when I went to Pennsylvania, I should carefully check out the credibility of the individual purchasing equipment from--also to give him a call back and tell him, yes, this person can deliver the equipment.

At that point--

Q When you say they, did you meet with anyone else assigned from Cupp at this point?

A At this point, no. We are still in John's office. He goes through the Pennsylvania trip. I tell him I already know the man in Pennsylvania, there is not much need to check his credibility.

Q Who was the man?

A Joe Smith of Joe Smith Parachutes. I told him that basically he would be a middle man in the deal and that probably over the telephone we could handle the subject.

He told me that we would go in and talk to Richard Gadd and that he was the president of the company, John's boss, and that John wanted me not to tell Dick Gadd anything about me knowing Joe Smith or anything to change that plan, that he wanted me to go ahead and follow Richard Gadd's order in going to Pennsylvania and checking out this man's credibility.

Q Did you ask him why he wanted you to do that?

A I didn't ask him. It was confusing in my mind that John Cupp works for Richard Gadd and they had this secret going on between them, but I felt that was possibly a power play.

Q Did you meet Richard Gadd?

A Yes. I went through my basic qualifications as a parachute rigger with him. He immediately skipped to the

Pennsylvania trip and how they had been turned on to Joe Smith's parachutes with Ed deGaray and that they were having a few problems with Ed deGaray and he wanted to check Joe Smith's credibility that the parachutes would be delivered on time and good parachutes.

Q Did he tell you anything different about the mission other than what John Cupp explained to you?

A No.

Q Did you leave then?

A Yes. I went to Shirleysburg, Pennsylvania.

MR. BROWN: What was the date of the meeting with John Cupp?

THE WITNESS: 6 January 1986.

BY MR. BALLEN:

Q That occurred when you arrived in Pennsylvania? Did you meet with Joe Smith?

A I met with Joe Smith and his first words were, ''I am glad to see you are coming aboard this operation. I am in charge of riggers and if you would like, I can surely get you a job.''

I was confused because Richard Gadd had told me in essence that I was the first parachute rigger aboard. I thought being the first on board I would be in charge--I basically questioned Joe Smith in reference to what he had learned from Ed deGaray and I felt it was my duty and loyalty to my employer to get this information and take it back to John and Dick and tell them what Joe Smith was saying and thinking through Ed deGaray.

Joe Smith had told me that he was going to go down to New Orleans and fly either dummy test missions to begin with or that they would pack supplies in New Orleans and take them somewhere, that Joe Smith was being asked to find pilots for Caribou, et cetera.

Q What was your conversation with Joe Smith?

A I left with a $31,000--$32,000 check, modified the delivery schedule from 7 to 14 days, which was a more realistic figure, and I returned to Washington, D.C. to tell John Cupp and Dick Gadd that everything would be delivered.

Q The $30,000 approximately check--who did you receive that check from?

A From Dick Gadd.

Q And that was a check to be a deposit on the equipment that Joe Smith was going to deliver?

A Correct.

Q After you returned to Washington, did you meet with Dick Gadd and/or John Cupp?

A Yes, I did.

Q Could you tell us what the results of those meetings were?

A I informed them that Joe Smith was looking for pilots and that he seemed to be getting more information than I was getting and through Ed deGaray.

I informed them that since they had bought $70,000 worth of parachutes that they needed ancillary supplies to facilitate packing and transportation of these things, string, clevises, deployment bags.

I volunteered to stay in their office to call the direct manufacturers of these items and have them shipped to a location that they would tell me.

They said ''No, you can't use our telephone to order delivery equipment and from now on, if you call here, we want you to call parachutes bed sheets or something. We don't want plain text used on the telephone.''

I was told if I went back to Fayetteville and started procurement of the items that I would be paid immediately for the items and reimbursed.

Q What happened after that?

A I went back to Fayetteville, assembled approximately a $10,000 list of other equipment needed for the airdrop mission and in late January I was told that there would be an aircraft flown down to my location to pick that stuff up.

On the 29th of January 1986, I learned that the next day, the 30th, I would be met by a C-7A Caribou at the Southern Pines Airport.

. Q Did that happen?

. A Yes, it did. We drove a truck out there which had 20, 25 cardboard boxes and 10 or 15 camouflage kit bags full of air equipment, slinks, clevises, deployment bags, static lines.

. We also had on the truck a Sears refrigerator that John Cupp had bought the day before. We waited for the C-7A to arrive, there were 3 Canadians aboard, two pilots and one mechanic, and two Americans. [redacted]

. Ed deGaray and [redacted] were aboard.

. MR. BROWN: When you say ''we met the airplane,'' who is we?

. THE WITNESS: My employee, Mike.

. BY MR. BALLEN:

. Q The three Canadians, how did you know they were Canadians? Did they identify themselves as such?

. A The crew came in and they were talking to the base operations people. They had kind of a French Canadian accent and during their flight plan overhearing the conversation, I learned that they had come down from Canada, that they had stopped at Dulles Airport, that they had picked up the two Americans and come directly to me.

. Q Did you subsequently load the equipment that you had procured on to the plane?

. A Yes, I did, and I received a check from Ed deGaray to cover the payment.

. Q Who was the check from?

. A East, Incorporated.

. Q Subsequent to that time, did you receive further instructions in February or later that day, in January--did you receive further instructions from Richard Gadd?

. A The following week I was told on the telephone by John Cupp that the Caribou had developed engine trouble, that they had to jettison almost the entire cargo and that all of my cargo had been jettisoned, that we needed to procure the same list again.

. I did that during the month of February, and also in conjunction with this list, I was asked to supply three Medical ITRC ~~million~~ bags.

. ITRC On February 11, [redacted] picked up three Medical ~~million~~ bags from my shop and departed from what he told me on a commercial airliner in route to Miami at which point he was going to be met by somebody flying a small Maule aircraft and that he would be flown to the area of operation.

. Q How do you know [redacted]? You said [redacted] came by. Did you know him previous to that time?

. A I had been assigned [redacted] with [redacted] so I knew him from years ago.

. BY MR. PARRY:

Q This load that you prepared, approximately how many parachutes would this material service or what quantity of goods could be dropped with the items that you had procured?

A Including the 70,000 from Joe Smith?

Q Yes.

A I could figure that up for you, sir, but roughly, I would say as a guess, I would say 75,000 pounds. I could add that up for you.

Q I just want to get an approximate idea.

And they lost both the parachutes and the equipment that you had procured or just your equipment?

A Just my equipment. I had learned that Joe Smith was buying the equipment from Ted Strong Enterprising in Orlando, Florida. I know all the manufacturers.

In learning this, I had contacted John Cupp and said, ''Hey, do you want this stuff to be shipped from Florida to Pennsylvania for pick up or would it facilitate your logistics to have it picked up in Florida?''

I was told, ''Yes, it would.''

I contacted Ted Strong, told him to hold the stuff there, contacted Joe Smith and said, ''Look, you are going to get paid. Don't worry about seeing the equipment. We will account for it.''

I contacted John Cupp again. He told me to tell Ted Strong that we would have an aircraft--he called it a frame--pick it up in Orlando.

At that point, I lost contact with these people, although I assume--I was told later on that it was a C-130 style aircraft. I assume it was a Southern Air 100 that went to Orlando and picked up the parachutes from Ted Strong.

BY MR. BALLEN:

Q Back to February of 1986, you delivered three Medical ~~[illegible]~~ bags to [redacted]?

A Yes.

Q And subsequent to that time, did you prepare again a similar load which you had done before?

A Yes, I did. During the month of February, we assembled the identical list.

Q And what transpired with that?

A I was told on February 27 by John Cupp that a--

Q Let me just ask you a question. You have before you a calendar; is that not correct?

A Yes.

Q What is the calendar you have before you?

A It is a calendar that I had been keeping in a loose-leaf notebook last year of events associated with this, and some of the time the events were actually written down when they happened, sometimes it was weeks later.

Q Are you using a calendar now to refresh your recollection?

A Yes, I am. Am I not to do that?

Q No. I want to make clear that when you are referring to a date, you are using this calendar to refresh your recollection as to an exact date.

I am sorry for the interruption.

A I received a phone call from John Cupp telling me the next day there would be a L-100 aircraft flown to my location. They told me it would fly to Southern Pines.

I told him if he flew a L-100 to Southern Pines it would be the biggest new story. It was a small air park, not an airport.

I suggested they fly to Mecklenburg-Laurinburg Airport, which is a larger airport. He took my suggestion and the next day 28 February 1986, I went and met a Southern Air L-100, tail No. 251.

I loaded aboard that aircraft approximately $11,000 worth of air delivery equipment.

Q You paid him for that equipment?

A I was not paid that day.

Q Did you receive payment in time for that equipment?

A Yes, I did.

Q Who did that payment come from?

A From East, Incorporated, by mail. I observed aboard that L-100 from helping load my cargo into the rear of it that in my opinion it was a mobile field hospital.

I observed tents, two or three X-ray machines that were crated, and in talking to Bonzo Von Haven, the pilot, I learned that since they had stayed there overnight that they had stored whole blood in a refrigeration unit provided by the airport.

Q Subsequent to that date--

MR. BROWN: I would like to ask a couple more questions.

MR. BALLEN: Sure.

MR. BROWN: At what airport were you loading the Southern Air Transport?

THE WITNESS: Mecklenburg-Laurinburg Airport.

BY MR. BALLEN:

Q You stated that Bonzo Von Haven was the pilot. Did you know or were you introduced to other crew members?

A I talked to them. I wasn't introduced.

Q Do you know who any of the other crew members are?

A Since I met the same crew three or four times after this, yes, I now who they are.

Q Who are they?

A Bonzo Von Haven, a man named Sims, I don't know the first name. J. J. Shugman was the flight engineer.

BY MR. BALLEN:

Q When did you meet these people again?

. A On my first trip to Central America that again was the crew flying the same aircraft.

. Q Subsequent to this February 28th, 1986, when was the next time that you had contact with John Cupp and Richard Gadd?

. A Through the month of March, I received several phone calls and I also placed phone calls to John Cupp in relationship to providing other services in procurement or my services as a parachute rigger.

. I was told each time to keep my bags packed and that as soon as they got the word that they would send me to the area of operation.

. I also learned during this period of time that [redacted] had already departed and was working for them in the area of operation.

. Q Who did you learn that from?

. A [redacted] himself.

. Q Where did he say the area of operation was?

. A He told me that it was in Central America and later he told me he was spending most of his time in [redacted]

. Q Did there come an occasion when, in fact, Gadd and/or Cupp contacted you to go to the area of operation?

. A Yes. I was asked on April 1 to purchase my own ticket and to fly to New Orleans and that I would be taken from there to the area of operation. I told them that since they hadn't paid for the supplies from the February shipment that I would not leave country and that I wouldn't leave country without a briefing from John himself.

I was told to come to the office the next day. I drove to Washington, D.C., and met with John Cupp, was paid by him in check for the equipment that I had supplied. We went into his office and he basically told me that I was going to go to Central America, that we would be flying aboard an aircraft providing rigger services on the ground and flying on the aircraft as a load master, again that we would be dropping humanitarian supplies to refugees and at this point he told me, ''In dropping all this humanitarian equipment, you may have sealed cardboard boxes. There is no need for you to look inside boxes. We just want you to provide your rigging services.''

Q Let me ask you a question about payment of the check. You said he handed you a check for the February equipment when you saw him in April. Could you explain that a little bit? Which February--you said you also received a check in the mail.

A Yes.

Q If you could clarify that for us.

A Some of the other checks were received by mail. The first one was handed to me by Ed deGaray, the second check I received from John by hand and probably the rest were by mail.

Q The second check being the check you received in April?

A Yes, because they were 30-some days late in payment for that equipment.

MR. BROWN: Was that check from East, Inc.?

THE WITNESS: I believe so.

BY MR. BALLEN:

Q Let me just ask you this--you continued to provide equipment to Cupp and Gadd throughout 1986; is that a correct statement?

A Until October. My last payment was the first of October of 1986.

Q We will go through the equipment again at a later date.

After your conversation with John Cupp in the offices at 422 Maple, what occurred?

A I was given a ticket to fly from National Airport to New Orleans. I was told to be at General Aviation the next morning at 7:45 and that I would meet Bonzo there and that he would take me to [redacted] the area of operations.

I was also told that [redacted] would be coming in that he would link up with me the next morning and that he would also be aboard that flight.

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Q Did you know [redacted]

A Yes, I did.

Q How did you know him?

A We have never been assigned to the same unit, but we were in the Special Forces Group together, but not in the same company, and I know him as a friend.

Q Did you see Mr. Gadd at that time or not?

A I saw him there at the office.

Q Did you have any conversations with him?

A I don't remember.

Q Did you subsequently fly to New Orleans?

A Yes, I did.

Q What happened after you got there? Who was paying your expenses? Did you stay overnight in New Orleans?

A Yes.

Q Who paid your expenses?

A The airline ticket was provided for by John Cupp and I had to pay for the hotel room out of pocket, which was to be reimbursed at a later date with receipts.

MR. BROWN: Can we go off the record for a second, please?

MR. BALLEN: Sure.

[Discussion off the record.]

MR. BALLEN: Back on the record.

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BY MR. BALLEN:

Q Did you ever have any conversations with [redacted] concerning the financing of the operation he was involved with in Central America?

A During January and February in talking to [redacted]-

Q 1986--

A 1986--in trying to figure out, I guess, the legitimacy of this operation and such, you know, we were told it was a spinoff of Project HOPE, I said to [redacted] ''How does something like this go on?'' and both [redacted] and John Cupp, in conversations on the telephone and such, had told me that, ''Well, you know, operations like this have been going on for years, that they go on and they are usually funded by a civilian, somebody like Ross Perot and that they are overseen by some level of the United States Government.''

Q Did John Cupp or [redacted] indicate to you at what level that was of the United States Government or did you not inquire into that?

A I was very hesitant to ask a lot of questions about this operation. It had a cloud of secrecy over it, it seemed, and my conversations with them were shaped by them, it seemed.

Q In other words, you didn't ask?

A Right.

Q Moving back to April, early April of 1986. I think we left you in New Orleans. What happened after you spent the night in New Orleans? I believe you testified you spent the night there; is that correct?

A Yes.

Q What happened next?

A [redacted] and I get in a cab and we go to General Aviation--

Q He was at the same hotel?

A Yes.

Q Was that by coincidence?

A I met him at the airport. My airplane came in at eight o'clock, his came in at ten. I placed a call to his wife, found out it was a ten o'clock flight--

Q Were you instructed to meet him?

A I was instructed by John Cupp that even though McCulley and I were friends, there was no reason to discuss this. I violated that, found [redacted] and we shared information for our mutual benefit.

Q So you met [redacted] that night and what happened after that?

A We stayed a night at the hotel in rooms that were near each other. We go to General Aviation the next morning at 7:45, the crew is not there, but there is a Southern Air L-100 aircraft parked there. We wait for half an hour, the crew shows up and it is Bonzo, Sims, and J.J.

Q What kind of an aircraft is an L-100?

A A four-engine prop aircraft resembling a C-130, although it has been lengthened. This one was gray in color with Southern Air markings.

Q Had you known about Southern Air before or you just read the markings?

A In my meeting at Mecklenburg-Laurinburg, I had seen the aircraft, and here again I see it.

Q You said you noticed the tail number. Did you notice the tail number?

A Yes.

Q Was it the same plane?

A The same aircraft.

Q What happened next? Did you board the aircraft?

A We boarded the aircraft, got airborne and Bonzo Von Haven told me we would be flying into [redacted] and landing on the dirt strip.

We flew in and landed [redacted] I went in the back and slept and observed a whole bunch of camouflage Poncho liners, bags of canned goods.

The aircraft was packed and I could just barely get a place to sleep.

Q After you arrived in [redacted] what occurred at that point?

A We landed. I looked around [redacted], saw some tents and shacks that were--the air base there--I thought to myself that John Cupp could have prepared me a little better for going [redacted] He had told me in my meeting there was no need for me to take camping gear. I would be living in a hotel. [redacted] came out of the building and said, ''Take all your equipment off; you are staying here.''

So I stayed [redacted] That day, the L-100 unloaded the equipment aboard and it took off, I was told, back to [redacted] to refuel and take off back to Miami.

Q What happened at that point after you were greeted [redacted] by Vernon Hughes? Where did you go?

A I was given a bunk bank at the headquarters building, a small shack of 25 bunks in the bottom, a communications room at the top, and a supply room on the end.

I was taken to a mess hall and given food and was told that the next day I would start flying on the Caribou. [redacted] had already been doing this.

Q Did you have any conversations at that time with any of the other people there, the other crew?

A I met [redacted] the pilot; [redacted] the co-pilot, and there was a mechanic. We referred to him as

[redacted]

Q Do you recall his real name?

A [redacted] I believe.

Q Did you go--I believe you testified you were going to--your instructions from Cupp were to go [redacted] the next day--I am sorry.

A At this meeting, I am under [redacted] direct control and we are under [redacted] control. We go to sleep that night, wake up the next day, we run three Caribou flights to the [redacted] drop zone.

Q Where was this drop zone located? Do you know?

A The drop zone--I was told by [redacted] and [redacted] [redacted] that [redacted] which was our drop zone was [redacted] [redacted]

Q Do you know what was dropped in those three drops? This would be what date again?

A This would be 4 April 1986, Friday. The majority of that cargo was large fabric bags with beans and rice. There was some mixture in these three trips of AK-47 ammunition that I remember.

Q When you say some mixture, how much AK-47 ammunition--what is AK-47's?

A AK-47 is a Soviet-made assault ~~river,~~ rifle a 7.62 Soviet cartridge.

Q Have you seen these weapons from your prior experience in the military?

A Yes, I have.

Q Just for the record, how did you happen to observe Soviet-made weapons while you were in the service?

A In the service?

Q Yes.

A As a parachute rigger, I was attached [redacted] [redacted] to go on military training missions. In conjunction with this, I was cross trained in the majority of the Soviet and world weapons. It is a cross training. I have been to the range in Special Forces and shot AK-47's, learned to take them apart, reassemble them, et cetera, and also helped to teach other people to do this.

Q This was all as part of your service [redacted] [redacted] in the United States Army?

A Yes.

BY MR. PARRY:

Q [redacted] your plane arrives from New Orleans with supplies. Do the people there, the contras, are their records kept of the supplies brought in? Are they taken off the plane and is there a log kept or anything of what has been delivered?

A At that point, there seemed to me to be no recordkeeping whatsoever. The aircraft opens up the tailgate and the contras line up and just start pulling stuff off and it is all put into a warehouse.

Q How much interaction was there between you or other Americans with the contras [redacted]

A A man named [redacted] was a supply sergeant who would give us information we need to go here or there today or tomorrow.

Usually there was one or two people we talked to.

Q Is [redacted] a code name? You knew him as [redacted]

A Yes.

Q But you didn't see any recordkeeping or inventory going on of the goods delivered?

A No.

BY MR. BALLEN:

Q We are back on Friday. You were making three flights and you said you observed AK-47 ammunition on those three drops. Is that correct?

A That is correct.

Q How much ammunition did you observe--who was doing what on the plane? Who was flying and who was dropping it? What were you doing?

A [redacted] flew; [redacted] was the pilot. [redacted] and I were in the back of the aircraft as load masters to cut the last strap and let the cargo fall.

We had two contras aboard. One was an officer to oversee the mission, I guess, and there was a radio operator with a hand-talkie to communicate with the drop zone.

Q How do you know there were contras? Who identified them to you?

My understanding is you were going down to aid refugees. How do you know these people were contras and what was your understanding of that?

A [redacted] and [redacted] had talked to me the night before. This is the Northern-main contra camp, all the people in this building are contras. [redacted] to watch what we were seeing about missions that the Americans were basically on their own and that [redacted] were providing outer security [redacted] and there was friction between the contras and [redacted] and to be very careful with [redacted] they seemed to be very volatile.

[redacted]

BY MR. BALLEN:

Q The contras, what were they doing, these contras?

A There were contras in a hospital there, in the mess hall--in the barracks that I was living in. It was mostly contra pilots and contra officers.

Q Was this a military camp--

A Yes.

Q And you observed weapons there?

A Yes.

Q And did anyone explain to you the purpose of the contras? Were they--what were they doing? Were they fighting? Were they having a picnic? What what going on there?

A At this point, my understanding was kind of unclear of what they were really doing. The next week I go back there and my understanding was getting more clear, but at that point, I knew that the contras were fighting the communist Sandinista regime and that they were aiding them.

Q And you knew that from your conversations with [redacted]

A And [redacted] and [redacted] I learned from [redacted] that he had been at [redacted] for three or four years and had not been back to see his family.

MR. PARRY: Is [redacted] used as a training base or is it purely a supply base?

THE WITNESS: Very limited training is conducted there mostly in air base logistical support.

BY MR. BALLEN:

Q Back to the flight on April 4; would that be correct?

A Yes.

Q On that flight--I don't know whether I asked this or not--how much AK-47 ammunition was aboard that flight that you observed that you dropped?

A During the first day, I would say maybe 20 percent or 20 was actual AK-47. The majority of it was food.

Q Very good sir.

After you returned--where did you return after those flights?

A We returned to [redacted]. I am told that since it is Friday, that the whole crew of the aircraft will fly to [redacted] to the safe house and that over the weekend, the aircraft will receive general maintenance.

Q And did that occur?

A Yes, it did.

Q When did it occur?

A Friday evening about three o'clock in the afternoon, I guess, we left and we landed [redacted] at five o'clock in the evening. We were greeted by Ramon Medina and one of his drivers and we were taken to the safe house No. 1.

Q And what happened next?

A I was given a room in the house and we stayed there for the weekend. I was taken around town on Saturday and shown [redacted] taken to the only mall there, et cetera.

Q Who took you around?

A Ramon and [redacted].

. Q Did there come a time during that weekend when you saw John Cupp?

. A Yes.

. Q And what were the circumstances when you first saw John Cupp?

. A On April 6, 1986, it was Sunday evening, we just finished dinner at the house and were sitting around watching TV. John Cupp shows up after flying down from Washington, D.C.

. Q How did you know he had flown down from Washington?

. A He told us.

. Q You were staying in Safe House No. 1 [redacted] Could you describe [redacted] a little bit for us and safe House No. 1, physically?

. A Okay.

. [redacted]

. Q Is it a [redacted] from your observations?

. A Yes, I would say that.

. Q If you could describe Safe House No. 1.

. A Safe House No. 1 was a three-bedroom house [redacted]

. Q It is just a--are you familiar with a butler hut?

. A I am familiar with the metal butler buildings, yes.

. Q Was it that kind of a building?

. A No. There was a regular residential brick stucco house.

. Q Did you ever stay in any butler housing?

. A No. I believe if you are referring to a butler building that you are referring to the warehouse that was erected [redacted] for us to store supplies and maintain equipment for our aircraft.

. Q What did those supplies include?

. A I have seen aircraft supplies stored in that building, plastic explosives and weapons and ammunition stored in that building.

. Q Back to John Cupp arriving at the safe house. What happened at that time?

. A [redacted] and myself all started to complain about the lack of equipment, supply parts and the inadequacies of the operation.

. John had said that it wasn't his job to sit through our complaint session, and he said that he would take notes and take these complaints back to Dick and that Dick would pass them on to the principals.

. Q Dick who?

. A Dick Gadd.

. We ended our little complaint session with him, he looked at [redacted] and said, ''I have something secret I need to tell you. Step into the back.'' The two of them went into a bedroom. We heard loud voices and John Cupp comes out slamming the door and says, ''If everybody has to know what is going on, I have an envelope with $50,000 in it in cash. This money needs to be transferred tomorrow morning to [redacted] and [redacted] cannot know about this, and I didn't want any of you to know about it so the information would not leak out.''

[redacted] comes out and calls [redacted] and says, ''We need to meet you tomorrow morning at nine o'clock plane site.''

Q How do you know he called [redacted]

A He said, '[redacted] this is [redacted].''

Q Had you meet [redacted] prior to that time? Did you know who he was?

A Yes.

Q How did you know?

A [redacted] had given me [redacted] and [redacted] telephone number saying if I got into trouble [redacted] call these people, that they weren't directly related to our operation, but they were government officials who could help.

Q You mentioned Max Gomez. Had you met him?

A During that Saturday and Sunday, I had met Max.

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Q Was his role explained to you by John Cupp or anyone else?

A John Cupp didn't explain it, no. [redacted] and [redacted] had told me that Max Gomez was one of our main contacts, if not the main contact, [redacted] that he was a little outside of our operation, but he had influence.

BY MR. PARRY:

Q Max Gomez, did you ever know him by any other name?

A No.

Q Did he ever talk about contacts with the Vice President's office or brag about his contacts to Washington?

A Yes.

Q What did he say about that?

A Had his quarters in observing photographs on the wall of him standing next to George Bush, eating dinner with George Bush. I became familiar that he knew him and in conversations with Max Gomez, I believe it was in late May he had said he was traveling to Washington, D.C., for approximately a week and during that time that he would meet with his good friend, George Bush.

Q Did he imply that some of his authority came from the Vice President?

A No.

Q Did he mention another name such as Mr. Gregg?

A No.

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Q Just Vice President Bush?

A Yes.

BY MR. BALLEN:

Q Now, after you heard that conversation, did you observe any further facts relating to the conversation concerning the transfer of $50,000 to [redacted]?

A The next day, Monday, [redacted] [redacted] the mechanic, and myself go [redacted] in preparation to fly back [redacted]

Q The safe house is not at [redacted] that you described, Safe House No. 1?

A It is in [redacted]

Q Go ahead.

A We show up there early in the morning and wait for fuel and for [redacted] at the plane site. Nine o'clock comes, [redacted] is late; 9:15, 9:30, nobody shows up. Forty-five minutes after the meeting is scheduled, Max Gomez and Ramon Medina come down. They drive up to the plane side and Max Gomez walks up to [redacted] and says, "[redacted] I understand that you have some money for the fuel account. Give it to me. [redacted] is tied up and won't be able to be here this morning and you are to give me the money."

I observed that [redacted] has Max Gomez sign a small, what I would call a petty cash receipt, although in this context it wouldn't fit petty cash.

MR. BALLEN: Back to Saturday.

Mr. Brown, why don't you pose the question?

BY MR. BROWN:

Q On Saturday, when you met [redacted] did you meet any other individuals at that time?

A [redacted] was in the office and [redacted] and I had gone there.

BY MR. BALLEN:

Q Why had you gone there? Why had you gone to meet him on Saturday?

BY MR. BROWN:

Q What are the events leading up to--

A [redacted] had borrowed something from [redacted] and he was taking it back to [redacted] to return it to him and at this point [redacted] had told me, ''Look, this is [redacted] He is a liaison person, not involved in the operation, but he can be of help.''

MR. ADDINGTON: Was this meeting in the U.S. Embassy [redacted]

THE WITNESS: No, at base operations [redacted] He had a small office there or he uses an office there.

MR. BALLEN: Could you ask the court reporter to read something back, please.

[Whereupon, the record was read by the reporter.]

RPTS DOTSON

DCMN LYNN

BY MR. BALLEN:

. Q After you had observed the signing of this receipt, what occurred next? Who signed the receipt?

. A Max Gomez.

. Q What occurred after that?

. A Medina and Ramon get back in their car. We leave, we start up the engines of the Caribou.

. Q What kind of an aircraft is that, sir?

. A A C-7-A, twin-engine prop aircraft.

. Q Had you flown them that way before?

. A That was the aircraft we used and flew on Friday.

. Q All right. You say you flew back [redacted] What was aboard the plane that you were flying?

. A Nothing. We transported no cargo on that trip.

. Q What happened after you arrived [redacted]

. A We made two flights to [redacted] drop zone, dropping some sort of mixture of cargo.

. Q Okay. What kind of plane were you then driving?

. A The same C-7-A Caribou.

. Q Okay. You made two drops. You loaded up equipment onto the plane?

. A Yes.

. Q What was loaded onto the plane?

A I don't have a complete list of that in my--

Q Approximately?

A In my memory, it was food and bullets.

Q You say bullets. Was this the same AK-47 ammunition?

A Yes.

Q Were any other military supplies on that flight that you observed, that you know of?

A We dropped boots, fatigue backpacks, ammo pouches. I don't know whether you consider that military supplies. It is vague in my mind.

Q Any small arms?

A Only AK-47 ammunition.

MR. ADDINGTON: Could you describe the color and exterior markings of that aircraft, that Caribou?

THE WITNESS: That Caribou was a camouflaged--kind of dark, orderly green camouflaged aircraft.

BY MR. BALLEN:

Q Did it bear any company logos?

A No markings whatsoever on it. They had been obscured.

Q No flag or registration number?

A No.

Q After you made those two drops or--I assume it was the same crew that you had previously?

A [redacted] and [redacted] yes.

Q After you made those drops, what happened then?

A We slept the night in our barracks [redacted] Tuesday, we were told we needed to make approximately two or three air land trips to a landing zone called [redacted] We transported one load of lumber, two by fours, sheet plywood, stuff like that. We also took AK-47 ammunition and a certain amount of plastic explosives. I don't remember how much. I remember loading the stuff on the back of the tailgate.

Q This would be approximately when, sir?

A This was the 8th of April, '86.

Q And let me just get something straight in my own mind. When you say you made a drop, what exactly would you be doing on the plane? What does that mean? What was your role?

A My role is the proper and safe loading of the equipment on the plane, the strapping down and securing of that equipment inside the aircraft. I sit back on the loads as the aircraft takes off. If there is any problems in takeoff, I have to jetison the cargo. The door stays open all the time. At the five-minute mark away from our drop zone, I cut the first strap, leaving only one strap on there to keep the stuff from going out the rear. As we fly over the drop zone, I either get a visual light or an audible bell signal from the pilot that it is now the time to drop the cargo over the drop zone, and I'm standing at the very end of the tailgate and I cut with a knife the last restraining strap and, due to the loads being on rollers and the aircraft accelerating and gaining altitude, it is called a gravity-fed system, and the loads roll out the aircraft next to me.

. Q Do they have parachutes on them or just drop?

. A Ninety-nine percent of all of these drops are with parachutes. There are some free-drop items. We free drop boots.

. Q The ammunition or the food, for instance, that would have a parachute on it?

. A Yes. It normally would have three parachutes on it, a cluster of parachutes.

. MR. PARRY: [redacted] landing strip is also [redacted]

. THE WITNESS: [redacted]

. MR. ADDINGTON: You just called it a drop zone.

. THE WITNESS: [redacted] is three different areas. There's two of which we can land it and one we have to drop it.

. BY MR. BALLEN:

. Q On April 8th you landed there and delivered this cargo; is that correct?

. A Yes. I observed Miskito Indians who helped unload the cargo, put it in trucks and they drove off.

. Q After that, sir, what occurred? When was your next flight?

. A The next day, the 9th of April, '86, we had six flights to [redacted] drop zone and one flight to [redacted] and on the 9th is when the L-100 comes into [redacted]

. Q Describe the L-100 coming into [redacted] Is that the plane you made these flights on you just described?

. A No. We are using the Caribou. We come back to [redacted] two or three o'clock in the afternoon after flying these missions.

. Q Where were the six trips back to?

. A [redacted] drop zone.

. Q What was the cargo aboard the aircraft?

. A It was a mixture of humanitarian and lethal aid and ammunition at some points. There were grenades and things like this in obvious wooden boxes. They said grenades on them. My memory is not clear on exactly when grenades were mixed in. I've got six flights in one day. I can't tell you.

. Q Among those six flights there was a mixture of food, grenades, ammunition--

. A Yes.

. Q --and other items?

A Yes.

Q Did you know whether--you mentioned AK-47. How about the grenades or any other arms; did you notice the origin? Were they Soviet arms? Were they American arms, based on your experience in the military?

A During these flights the grenades seemed to be from [redacted] I wasn't sure. I've got more information on the next day's flight.

Q After you made the six drops to [redacted] you testified you returned at approximately two o'clock; is that correct, sir?

A Yes.

Q What happened? You mentioned an L-100 arrived. What happened at that point?

A As we fly back in on our Caribou to [redacted] there is an L-100 on the ground. It is unloading humanitarian aid is what it would appear. Bonzo Von Haven comes up to me and says, ''Dick Gadd has told me to tell you, for you to keep your agreement, come with us and to bring enough equipment to conduct an inside mission.''

I do this. I grab my personal gear. I go back to Bonzo. Bonzo is with a man named [redacted]

Q Not the same [redacted] you had referred to?

A No. [redacted] He tells [redacted] Bonzo tells [redacted] the cargo they want delivered inside Nicaragua. [redacted] ''The L-100 doesn't have clearance ~~to~~ Ic go in.'' Bonzo says, ''Well, we need to take the ~~money~~ Cargo with us to [redacted] and we will await clearance and we need to prepare for this drop.''

That's what we did. We loaded up 17 loads. These loads were all lethal aid, a combination of AK-47 ammunition, AK-47 rifles in foot lockers, RPG bazookas is what I call them, M-79 grenade launchers and ammunition. They are all configured to be dropped out of a DC-6 aircraft, and I'm asking [redacted] to release more parachutes and more containers so that I can rerig this equipment for an L-100. They tell me this is not possible, and that in their opinion the stuff will work just fine. I told them my discontent with the situation and we boarded the aircraft, discontent with just 17 loads, and we took off for [redacted]

. Q Did you actually engage in packing this military equipment, these arms?

. A I didn't engage in it. I walked over to the warehouse and I saw the rifles being put in foot lockers, and there was a concern over padding and that was why I went over there.

. Q Who expressed the concern over padding?

. A It had been for the last week or so. The weapons and things like this weren't being properly rigged. I'm a highly trained rigger and I'm working with Contras and I'm trying to lend them some of my experience in this and teach them how to do a better job.

MR. BROWN: Did the L-100 have any identification markings?

THE WITNESS: At that time I didn't identify the aircraft. The next day I did. It was a Southern Air L-100. It had those markings on it. I didn't take the tail number at that point.

MR. PARRY: Could it have been the same one that came from New Orleans?

THE WITNESS: It certainly appeared to be.

MR. BROWN: Did you take the tailgate markings of this plane at a later date?

JT251

THE WITNESS: I did. JC251.

MR. BROWN: What are those markings? So this is the same plane you rode down on from Miami?

THE WITNESS: Yes.

BY MR. BALLEN:

Q At least it had the same tail markings?

A It appeared to be the same flight.

MR. PARRY: Was it Miami or New Orleans?

BY MR. BALLEN:

Q Was it Miami or New Orleans?

A I left from New Orleans.

Q I believe you left off, you flew on this L-100 with the 17 loads back to [redacted] is that correct, sir?

A Yes.

Q What happened at that point in time?

A We were met by a driver and we were taken back to the safe house. I should go through--

BY MR. ADDINGTON:

Q Is this the same safe house number one?

A Yes. I should go through at this point who was the crew on the L-100. Piloted by Bonzo Von Haven, co-piloted by a Manny Sims. They have an Oriental named Song Pong with them. There is also another individual aboard, a 30-year old gentleman, young, energetic, and his name is told me to be Joseph. Bonzo and them treat this man with somewhat of esteem. I'm trying to figure out why an elderly gentleman like Bonzo is treating this younger pilot this way. I talked to J.J. Shugman and asked him, ''What is the deal on Joseph?'' And I'm told this is the senior pilot for Southern Air and he is here to observe.

Q Did you know any of these names to be real or these were just how people identified themselves to you, other than the people you knew from prior association such as [redacted]

A I didn't know whether they were their real names or not.

. Q I'm sorry to interrupt you.

Did you use your real name with them?

. A Yes, I did.

We go to the safe house, everybody starts to throw their stuff into different rooms. There is obviously not enough room in the house for everybody, and Sims and Joseph go to [redacted] and they stayed overnight in [redacted] Bonzo and J.J. and Song Pong stay at the house with me.

That night there is one or two phone conversations that I overheard Bonzo placing to Dick Gadd. I didn't hear the full context of the conversation.

. Q This safe house, was it a small room or were you all in one room when they talked on the phone?

. A There was only one telephone in the house, and it was the room in which everybody would watch TV. So whenever there was a phone conversation and you were watching TV, you would basically overhear it.

. Q TV in Spanish?

. A Plus CNN News.

. Q All right. What did you hear? Bonzo was on the phone. What did you hear of these phone conversations? You said they were with Dick Gadd. How did you know they were with Dick Gadd?

. A I overheard Bonzo say, ''Well, Dick, this is Bonzo. We are here at the safe house and we got all the party material, and we are waiting to rig the aircraft tomorow, and we should be able to go to the party tomorrow night.''

Q He just said Dick? He didn't say Colonel Gadd?

A Right.

Q And what happened after that, sir?

A The next morning we get up. J.J. Shugman, Song Pong and myself go to [redacted] and we prepare the aircraft for air drop. We install a roller system, anchor line cable, and we rerig the DC-6 loads to fill the L-100.

Q At any time during that time did Bonzo meet with anyone else to make plans as to where to make this drop inside?

A I don't know Bonzo's whereabouts during daylight hours of the 10th of April, 1986.

Q When did you plane--after you rigged it, what occurred?

A We go back for dinner at the safe house. We meet with the entire crew there at the safe house. From there we get into a van. We go to [redacted] We are standing around plane side. Bonzo says he would like to see Max Gomez, he is supposed to meet him. I say, let's check his quarters. I know where Max's quarters were. I take Bonzo to Max's quarters. We knock on the door. Ramon lets us in.

Q This would be Ramon Medina?

A Yes. Inside Max's quarters there are [redacted]

[redacted] Max Gomez, Ramon Medina, Rafael Quintero is what I have learned his last name is. We only referred to him as Rafael.

. Q How did you learn his last name? You said you learned that.

. A The news media.

. Q So you don't know for--

. A No, I don't know. I'm assuming.

Inside the building or inside Max's quarters, they unfold a map of the area, and I observed clearly from--you know, I'm in the same room. [redacted] Max Gomez and Bonzo plan the flight into Nicaragua. They had a map out. It is clearly [redacted] Nicaragua [redacted] on the map.

. Q What does [redacted] say?

. A He doesn't say a lot. He is not planning the mission. It is Max and Bonzo planning it, although [redacted] goes through basically you shouldn't do that, you should keep your radio as silent as possible and this is a radar installation area here, and they can paint you, to stay away from this area, stuff like that, basically sharing information on the flight route.

. Q Does he at any time talk about the weapons and how they are loaded, [redacted]?

. A After the meeting in the barracks, [redacted] goes back with us to the aircraft and there at the aircraft Rafael and Max go into the cockpit with Bonzo and J.J. or, excuse me, Sims and Bonzo are plugging in the navigation aids. [redacted] goes to the back of the aircraft with me, and I walk him all the way around the loads. It is clear to him that it is lethal aid. He asks me specifically about assault rifles, are there rifles aboard, and I say yes. He says, ''Are they padded? Are you going to bend any barrels on this trip?'' I said, ''No, sir, I can assure you the weapons in these foot lockers are padded. I don't foresee any chance of damaging the weapons.''

. Q What did [redacted] say at that point?

. A ''Looks like you have done a good job, Crawford. I hope everything works okay.'' I discussed with him my dissatisfaction in jury rigging the entire load, but I assured him, as I had assured Dick Gadd on the phone prior, that I wasn't going to fly on that mission if I didn't think all the cargo would go on without causing a problem.

. Q When did you assure Dick Gadd on the phone?

. A Their house. Around dinnertime the phone rang and I picked it up, and it was Dick Gadd's voice. Dick asked me, ''Well, I hear you are going to go to the party tonight. Is everything going to be all right? How about your party material? You are in charge of that. Is everything okay?''

I said, ''Yes. I'm jury rigging it all. I'm having to do it with chewing gum and string, but I'm not going to fly the mission if I don't think it will work.'' and I hand the phone on to Bonzo.

. Q Now, did you have any further conversations with [redacted] aboard the flight?

. A Only--

. Q Aboard the plane, I'm sorry.

. A Only about the stuff in the back. I believe that it was either during that time he observed us or I had told him that we had just concluded emptying the trash cans and taking some flying logs out and stuff like that, but basically we did have a sterile aircraft, other than the over markings on the outside of the aircraft.

. Q And what happened next? Did you leave?

. A Yes. We took off from [redacted] flew down [redacted] [redacted] We turned over [redacted] and I'm wearing a headset most of the time so I'm party to the conversations of the cockpit. And as we crossed the Nicaraguan border, Bonzo had alerted all of us this is the border, now we are inside Nicaragua. We turned off all the lights, dimmed them down, and we flew to the area where we thought the drop zone would be found. I opened up the tailgate, looked around for the drop zone, couldn't find it. I had to lay down on the tailgate and look forward to the aircraft because the pilots were having a hard time finding stuff, couldn't find the drop zone that night. We flew around for about half an hour.

MR. BROWN: Who is on board this flight?

THE WITNESS: Bonzo Von Haven as pilot, Sims as co-pilot, Joseph is aboard the plane. He is sitting in one of the engineer's seats. J.J. Shugman is an engineer. Song Pong is aboard, is a load master, and I am aboard.

RPTS DOTSON

DCMN LYNN

BY MR. BALLEN:

Q What happens after that?

A We couldn't find the drop zone. We closed the tailgate back up. We basically retraced our steps. I was told by Bonzo, we were all told by Bonzo on the headset. ''Now we are back over [redacted]'' It kind of makes everyone breathe easier to know these things. We flew back to [redacted] and were back at the safe house about four o'clock in the morning.

Q Did you subsequently go on the mission again?

A Yes. The next day we did virtually the same thing. We took off from [redacted] flew down [redacted]

Q Let me just interrupt you for a second. Did you have any conversation with [redacted] or Dick Gadd or anyone else about not having success on that particular mission?

A On the first night when we arrived back, we met Rafael and Max Gomez and Ramon. They kind of acted very disappointed we couldn't find the drop zone, and there was speculation on whether or not we would be allowed to do it the next night. The speculation was based upon whether or not the aircraft could stay and whether or not we had been seen that night, so on and so forth.

The next day I had no contact with [redacted] or anyone. Bonzo Von Haven came back from somewhere and at the safe house he told myself and J.J. that we had not been detected the night before and because of that we were being allowed to conduct the mission that night, to prepare ourselves for staying up all night for conducting the mission the second time.

Q Did that happen, sir?

A Yes, it did.

Q What happened on the second mission?

A After flying into Nicaragua, we found the drop zone quite easily and after opening up the tailgate we found it was obvious two mountain tops had kind of been set on fire, kind of attract our attention in the general quadrant, and beyond those hilltops that were on fire there was a very clearly marked drop zone. We flew over the drop zone, I deposited all of the loads in my opinion on target in one easy dispatch. We flew back to [redacted] landed, met by Rafael, Max and Ramon, and they had a bottle of rum and were quite happy.

MR. BROWN: I have just a couple of quick questions. You mentioned on the 10th of April, I believe you mentioned that you had had a conversation, the 9th or 10th of April you had a conversation on the phone with Dick Gadd. Did you have an occasion to talk with him on the 11th of April by phone?

THE WITNESS: I picked up the phone and talked to him like once or something, and he said, ''I hear you didn't get to go to your party last night'' or something and that we were to head in there again that night and he hoped everything would end up fine and I handed the phone to Bonzo.

MR. BROWN: Also a question about the crew, Bonzo Von Haven and J.J. Do you know anything about their history?

THE WITNESS: In talking to Sims, I had learned that he was a retired Air Force pilot [redacted]

BY MR. BALLEN:

Q Who was he?

A Co-pilot Sims.

Q You say he was a [redacted]

A That he was a pilot with--

Q Sims was?

A Yes. That he was a retired Air Force pilot [redacted] This in my mind lent them credibility of being some of the best pilots in the world. During the 11th while we were there at the house, this guy Joseph had come up to Bonzo and said, ''Well, I went on the mission last night, there is no need for me to go on the mission tonight.'' He was extremely nervous that night. Just smoking cigarette after cigarette; a very, very nervous person.

MR. PARRY: Joseph?

THE WITNESS: Joseph. I had been told again that he was the senior pilot for Southern Air and he was observing this operation in order to go back to Southern Air and tell them his opinion on whether or not they should continue this type of flight. I was told this by Bonzo.

On the 11th after I had picked up the phone and talked to Dick, Joseph and Bonzo had had this conversation about how he wasn't to go in on this flight and Bonzo, I guess, didn't have the authority to tell him. Bonzo gets on the phone and is talking to Dick about, well, Joseph doesn't want to go to the party tonight and stuff like this. To some degree, I think it was a bit of ribbing. Joseph had had no clearly military experience, and Bonzo related to Dick that he wouldn't go in, so on and so forth.

There were about two or three phone calls placed back and forth which would seem to be between Bonzo and Dick Gadd. Then the phone rang. I picked it up and it was somebody from Southern Air. I don't know who it was. That individual talked on the phone to Joseph. Joseph said, ''Yes, sir. Yes, sir. Yes, sir. I will fly, I'll go ahead, yes, sir.'' And he got back on the plane and he flew that night.

MR. ADDINGTON: How did you know it was someone from Southern Air?

THE WITNESS: The context of the phone and J.J. Shugman on the phone, and he told me that's probably the president of Southern Air, he probably called up and said he had better fly if he wants to keep his job.

BY MR. BALLEN:

Q What is marked as Committee Exhibit 1, could you explain this document?

A This document was attached to one of the 17 loads aboard both of these flights. It was identical cargo.

Q When you say attached to a load, would you describe that.

A We have 17 loads aboard the aircraft. A load is a piece of plywood with four straps on the bottom of the plywood, and you stack all your boxes on top. You use straps to secure the load as in one unit. You attached the parachutes to the straps and then this is one of the 17 loads that falls out the aircraft. This document was a list of what was contained in that load, what was in the little boxes. I'm not very good in Spanish, but--

Q Who put that list on the loads?

A The Contras.

Q Do you know who from the Contras put it there?

A No. The riggers who were rigging.

MR. PARRY: Where?

THE WITNESS: At [redacted]

BY MR. BALLEN:

Q You brought it back [redacted] and this document was on one of the loads that you dropped?

A That is correct.

Q When did you take it off the load?

A During the afternoon of the 10th of April 86.

Q Before you went on your first trip?

A Correct.

Q How did you take it off the load?

A It was just stapled on. I ripped this and I ripped another one off. I put them in my pocket to keep them as souvenirs.

Q Why?

A As a souvenir to remember my help in the Contra effort.

Q And could you say what the document says?

A In my limited Spanish, it says the destination is the southern front, that it's 730 pounds. The observations or remarks column says 20 rifles of G-3, six tubes of RPG, seven weapons, three grenade rounds, I believe it's an armor piecing round, 50 M-79 grenade launchers and ten bandoliers of grenades and 216 grenades of M-79 stock.

Q Does that correspond to what you observed was in that load?

A Yes.

Q On those loads?

A Yes.

Q After you arrived back, after completing your mission into Nicaragua, what happened at that time? When did you--what happened next in terms of your ongoing employment?

A You know, we would go back to the safe house and on Saturday, the 12th, we basically slept all day.

Q When was the next event other than sleeping and--

A On the 13th, Sunday, I worked on Max's radio at his quarters helping to install a new radio antenna for him and stuff like that to get his radio up.

Q And on the 14th, sir, what happened then?

A Nothing. We just stayed at the safe house the 14th and 15th.

MR. ADDINGTON: Could I ask, what type of radio was it Max had that you were working on?

THE WITNESS: It was a HF Kenwood 430S radio.

MR. PARRY: What type of a radio is that?

THE WITNESS: It is a 3 to 30 megahertz ham radio.

BY MR. BALLEN:

Q Sir, now on April 14th, did an individual by the name of Cooper fly into [redacted] on another plane?

A Yes.

Q What kind of plane was that?

A It was a C-123 that was being brought down for one of our--as part of our operation.

Q Now, what happened? Did you see that plane? Did you board that plane?

A As soon as it got there, we all kind of went out there to look at it because it was our new big bird, and we were introduced to Cooper and a man that I will refer to as Ham Fat. I don't know his other name. He was a 66-year old gentleman who was drawing social security who never should have been hired as a pilot. He only lasted three weeks and they sent him home with a month's pay.

Q You don't know his real name?

A I was told, but I've forgotten.

Q And what happened at that point in time?

A During Monday, the 14th and 15th, they did touch and goes there at [redacted] to improve their familiarity with the aircraft.

Q Did there come--do you know who was on board the aircraft? Did you observe what has on board the aircraft?

A When it landed?

Q Yes.

A No.

Q At a later time, did you observe what was on board the aircraft? Let me rephrase the question.

Did there come a point in time when a group of people approached the aircraft where there was a discussion concerning what was on board?

A This is later. This is a day or two later than this.

Q All right.

A We are jumping ahead.

Q I'm sorry.

A For Monday and Tuesday, Cooper and Ham Fat, they just did touch and goes to [redacted] On the 16th, since our Caribous are broken, that's when we go from [redacted] back to [redacted] with the C-123, the first time the C-123 has been used.

MR. PARRY: It is empty at this point?

THE WITNESS: For flight to [redacted] we were asked to transport about 500 pounds of plastic explosives to [redacted]

BY MR. BALLEN:

Q Who had asked you to do that?

A Rafael and Max.

BY MR. ADDINGTON:

Q Can you describe this aircraft's exterior, the C-123?

A It is a camouflaged C-123 with no name on it, and I believe that that--the first day or two it was there, they spray painted over the numbers. I never got the numbers.

Q No flag on it either?

A No.

BY MR. BALLEN:

Q Who was on board with you from [redacted] to [redacted]

A William Cooper, Nam Fat, [redacted] the mechanic, and I believe [redacted] was there.

BY MR. PARRY:

Q Okay, sir. I'm a little confused. Were the plastic explosives loaded onto the plane in [redacted]?

A Yes.

Q Are they labeled, are they in tubes, are they labels as plastic explosives?

A It's in wooden crates, about 30 pounds apiece and clearly labeled plastic explosives. It is not in English though. I forget what language it was. It had explosive markings on it.

BY MR. BALLEN:

Q Up until this time, was there any American-made weapons on board?

A Only the M-79s. That's the only American-made ammunition I've ever seen down there.

Q All right. Could you describe--you left from [redacted] with the plastic explosives on board to [redacted] What occurred next?

A We landed at [redacted] We were told by [redacted] drop zone had gone hot, that we were not to go over there, it was hostile at the moment, and possibly the next day they would have at least one mission to [redacted] That night we stayed at [redacted] in the barracks out front. We had a small barbecue going and [redacted] and Cooper were talking about whether or not this plane can land at [redacted] Cooper was saying he used to land on aircraft carriers all the time, a short strip, no problem to him, and [redacted] is going, ''But, but, but, Cooper, the Caribau barely gets in there and out with a full load. Are you sure you can do that with your 123?'' During the barbecue, from around the corner of the barracks comes an entourage of about eight or ten people. They seem to be Americans. They walk directly up to us. There is a very distinguished looking gentleman in the middle. The front of the circle splits. This man comes out. He introduced himself as Ambassador Duemling from the U.S. State Department.

He said, ''Are you the flight crew flying that aircraft out there?'' Well, Cooper and [redacted] are kind of having a power play between themselves, and they are both trying to talk to this gentleman. I'm standing right next to him and I hear the entire conversation.

They said, ''Yes, we are the flight crew.'' And Duemling is saying, ''Are you the flight crew to that bird? I need to know, because if you are with that bird and if Dick Gadd, if you work for Dick Gadd, you can talk to me.''

Well, in this group of other people standing around, [redacted] [redacted] were there and they're both nodding their heads and winking to us like tell them anything you want.

. Q Who is [redacted] How did you know these people by that name?

. A. They had been introduced to me by [redacted] They were what appeared to be two Americans who were at [redacted] for reasons not clear to me.

. Q Why don't you proceed then.

. A Duemling comes out and says, ''Look, you can talk to me, I'm the man who pays Dick Gadd and I need to know about that stuff on the end of the tailgate this afternoon. How much of that stuff are you moving?''

. Q What was on the end of the tailgate?

. A The plastic explosives we had bought. [redacted] and [redacted] get a little nervous and they don't want to talk to the man at all really. And it becomes clear to him he is not going to get any information out of them. He turns to another gentleman in his little group and says, ''Well, it is clear to me these people aren't going to talk, but we need two different accounting systems set up here. I can't pay for moving stuff like that. We need two different accounting systems. I can't tell these men not to work down here, not to participate and work. I can't tell them what to do, but I can't pay for that type of activity.''

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. Q Did you subsequently fly that plane into [redacted]

. A No, we did not.

. Q Why not?

. A The following day, the 17th of April, '86, we're waiting to go to [redacted] and load the plane. It gets to be about lunch time and I laid down for a nap. Everybody else is in the mess hall. [redacted] comes up to me and he wakes me up, and he is very anxious and nervous, and he says, ''You have to get out of here, you and that bird has to get out of here.'' I'm questioning him why, you know, we have to get out. He won't tell me.

. Q Did you have any conversation with [redacted] at that time?

. A Not at this time. We go to the mess hall. We get [redacted] Cooper and Ham Fat over [redacted] He is helping throw luggage up on the bunks, so we can get going. [redacted] comes down and says, ''What's going on?'' Cooper said to [redacted] you know, ''We have to get out of here.'' [redacted] says, ''We have to leave.'' [redacted] says, ''Well, I haven't heard anything about this,'' and [redacted] comes out and says, ''It has come [redacted] it will come over the Contra radio here in a little bit. You might as well load up because you guys got to get that aircraft out of here.''

Sure enough, about half an hour later, [redacted] comes down and says, ''Yes, it just came on my radio. You guys got to leave.'' We loaded up with no cargo transport and flew back to [redacted]

At [redacted] there is Max Gomez standing out there with his fist up in the air saying, ''Why did you come back here for? Why don't you Americans do some work for a change.'' It was unclear why we had to leave.

. Q What happened subsequent to that?

. A I stayed at the safe house and I worked on radio equipment.

. Q Okay. And on or about April 20, 1986, what happens at that time?

. A We were told that the principals and Dick Gadd were going to fly down and straighten out our command and control, our chain of command problems. And, sure enough, Dick Gadd shows up at the house, 10 or 11 o'clock in the morning, something like this--

. Q This would be April 20?

. A April 20, '86. Safe house number one.

. Q And what happened when he arrived?

. A The entire crew was assembled and it's somewhat of a complaint session. We are telling him we are flying a Caribou with only one engine and we need more navigation equipment and we need flight vision equipment, so on and so

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forth, that we are having trouble with parts and fuel accounts and so forth. It was our complaint session.

Q What does Mr. Gadd say?

A He says, ''we will take these complaints and try to get them smoothed over,'' and our chain of command is being worked out by the three individuals meeting at [redacted] at the moment with Contra leaders and [redacted] During the meeting, Dick Gadd tells me I'll accompany them back to America. It is my time to rotate back to America, and Vernon will come back down. He tells me I'll fly back with them in his corporate jet they came down in.

Q What happened after that?

A We go--Dick Gadd and I have driven to [redacted] We go to the cafeteria at the operations base. We go upstairs, I sit down with the crew. About an hour or so later we go to the aircraft and three other gentlemen show up. I'm not introduced to them. We board the aircraft.

BY MR. ADDINGTON:

Q In the last conversation you mentioned with Mr. Gadd versus three principals trying to straighten things out, do you have any idea who you were referring to by three principals?

A I didn't at the time.

Q You think you might know now?

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A Yes.

Q Who do you think they were?

MR. BALLEN: He is going to--

MR. BROWN: Point of clarification. You said they were meeting with certain people to work out chain of command, principals were meeting. Do you know specifically who they were the principals were meeting with?

THE WITNESS: I was told Contra leaders and [redacted] would be there.

MR. BROWN: Who told you this?

THE WITNESS: Dick Gadd.

BY MR. BALLEN:

Q Did there come a time when you boarded this airplane?

A Yes.

Q And what happened, sir?

A I boarded the plane and aboard the plane there were a co-pilot and a pilot, a stewardess, Dick Gadd, J.J., the mechanic, [redacted] the mechanic, three principals and myself.

Q You say three principals. Who referred to them as the three principals?

A Dick Gadd.

Q At that time?

A At that time.

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Q What happened?

A We fly from there to Miami International Airport. We land there. We all go through Customs. The three principals present some sort of red official passport. Their luggage and such is not searched. Dick Gadd and I both have blue ones. We have a courtesy check and go through Customs. From there we get back aboard the plane, get taxied to Southern Air. The three principals and Dick Gadd go behind a closed door and they have a meeting at Southern Air. I kind of wander around the complex just talking to people. The two mechanics just disappear. They are in Miami. That's basically their home. They go--

MR. BROWN: If I may interject, did you have to fill out any forms in the process of going through Customs?

THE WITNESS: Yes.

MR. BROWN: What?

THE WITNESS: The normal three by seven declaration form.

MR. BROWN: Did you notice--did the principals fill out forms?

THE WITNESS: Yes. Everybody aboard the plane filled them out.

BY MR. ADDINGTON:

Q You mentioned they had red passports. Did you read the front of them so you knew they were U.S. passports?

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A No.

Q They appeared to you to be Americans?

A Yes.

MR. BALLEN: Go ahead, sir.

THE WITNESS: The meeting at Southern Air concludes. The aircraft is refueled. I'm out by the aircraft. I'm talking to the pilot and co-pilot. They kind of turn around and point to a building and say, ''That's the cosmetic company that we normally work for. This is just one of these lease flights. We are trying to sell the aircraft and Southern Air might buy it, so they have had us fly everybody in it for one trip to see whether or not they want to buy the aircraft.''

BY MR. BALLEN:

Q What kind of aircraft was it?

A A Jet Star.

Q Did you subsequently board the aircraft again?

A We again board the aircraft; Dick Gadd, myself and the three principals.

Q What happened at that time?

A We take off en route to Dulles Airport. In mid flight Dick Gadd turns to me and he goes, ''Will you please stand up and brief these three gentlemen on your party the other night.'' I kind of look at him, and I don't know how much to tell them or how much to keep back. So during my conversations, my briefing to these gentlemen, I'm always looking at Dick and again he is giving the nod, tell them more, tell them more.

. Q What did you say?

. A I started my briefing with I was at [redacted] The L-100 comes in. We pick up 17 loads worth of guns, ammunition, grenades and stuff like that--

. Q Did you say that?

. A Yes, I did. I went on to say I made sure the cargo was packed suitably for air drop.

. Q May I interrupt for a second. Did you tell them [redacted] instructions to you in terms of loading it up?

. A Through my briefing later on I mentioned [redacted] [redacted] name. I tell them we go to [redacted] I tell them about the installation of the roller system and stuff like that, that I was unhappy with having to jury rig the situation, but I also told them that as a crew member I felt much safer on a Southern Air L-100 that had four engines on it and complete navigation equipment flown by two good pilots.

. Q Did they respond while you were telling them this?

. A There were nods and things like this but, no, I was never really asked any questions.

. Q Continue. What else did you tell them?

A I told them about the evening, the first evening that [redacted] had come aboard and kind of looked around, kind of given his basic approval and that we had taken off, that we couldn't find the drop zone that night, that I thought that night vision equipment and possibly a beacon on the ground could be purchased to facilitate finding the drop zone, and I went on to say the next night we took off and flew about the same mission and deposited the cargo, in my opinion, on target, and I asked them at that point had they heard whether or not the cargo actually was delivered intact. Somebody there, and I don't remember who, kind of nodded everything was okay.

At that point Oliver North--well, one of the principals I've later identified through photographs as Oliver North, he kind of--he said, ''Well, thank God we got away with it,'' and he was referring to using the Southern Air bird with tail numbers on it and everything.

Q You say you later identified him as Oliver North from photographs. What photographs did you see that you were able to recognize--

A It was on the television and newspaper.

Q And you recognized that individual as Oliver North?

A Yes, I did.

Q Did you ever at any time through looking at photographs, the news media, either on television or in the newspaper, recognize any of the other individuals?

A I recognized Secord, Richard Secord, as the second principal.

Q Did Richard Secord say anything to you during that briefing?

A He didn't say anything to me. He and Gadd had quite a bit of conversation aboard the aircraft.

Q And did Oliver North say anything other than the comment you just quoted and the nodding you had referred to?

A No.

Q Were you able to ever recognize to your satisfaction the third individual?

A No, I have not.

Q You have never seen any photograph that would allow you to recognize him, that you felt sure was--

A I do not feel that my memory on the third individual is clear enough to identify him.

Q And how clear are you in your feeling that the persons, the two other people you were able to recognize were Oliver North and Richard Secord?

A I'm positively 100 percent sure it was Oliver North, and I'm equally sure on Richard Secord.

Q Why is that?

A I remember--

Q Let me ask you this. The first time, did there come a point in time when you saw Oliver North's picture? I believe you testified you saw it on the TV.

A Yes.

Q When you saw it on the TV, what was your reaction the first time you saw it after this?

A That's the guy I was on the plane with and briefed, and that's when it became clear to me this operation went as high as the White House, and I was extremely disappointed that I had been part of a slipshod operation that had been somewhat directed by somebody in the White House.

Q And do you recall when it was that you saw Oliver North on TV?

A The first week in November.

Q Around that period of time?

A Yes.

Q Was it around that period of time that you saw Richard Secord?

A It was a week or two weeks later I saw Secord on TV.

Q And it is only that time you made that connection?

A Yes.

MR. PARRY: Can you describe at all this third individual that you don't know who he is?

THE WITNESS: My memory on him is vague. He was sitting in the part of the aircraft obscured to my vision, and I'm reluctant to describe him.

BY MR. ADDINGTON:

Q How tall are you?

A Five eleven and a half.

Q Was this person taller or shorter than you?

A Since I was sitting most of the time, my memory is not good on that.

Q You can't tell how tall he probably was, tall or short? Can you generally describe him?

A If you want me to do this, I'll go ahead.

Q If you don't remember, say you don't remember.

Do you remember if this person wore glasses?

A In my memory, he wore glasses. He was balding. He was probably about five eight, five nine maybe; not hefty, but like 180 pounds or something.

Q Did you ever hear him speak out loud?

A Yes.

Q Was his voice high, low?

A I don't remember. He kind of muttered a lot and didn't say a lot.

Q Do you remember his hair color?

A It was dark hair.

MR. PARRY: Did he appear to you to be American?

THE WITNESS: Yes.

BY MR. ADDINGTON:

Q Did you ever hear either of the two speaking to him that would indicate a Nicaraguan or any kind of reference, anything at all?

A With the aircraft noise, I could only hear the people I was sitting close to. This person was out of my vision most of the time.

Q Was there anyone else you know seated in the area with those three principals or who had more contact with him than you did during the flights?

A No. Although I would assume that the two mechanics who flew with us on the first part of the flight would be able to substantiate who these other three people are. Their memories should be about as good as mine.

BY MR. BALLEN:

Q Let me ask you this. Did you ever at any point in time see photographs in the news media that you recognized as possibly being this third individual, if you are willing to--

A Yes.

Q You are not sure of who it is?

A Let me make a statement if you would. I know for a fact that I am a hundred percent sure on Oliver North and Secord. I'm a person who states things as facts, and if I don't know, I don't want to state it. It is a conclusion. I am probably 50, 60 percent sure of my recollection on this

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third person, which in my mind is not good enough to state.

MR. BROWN: Can we go off the record?

MR. BALLEN: Yes.

[Recess.]

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MR. BALLEN: Back on the record.

BY MR. BALLEN:

Q Do you have a feeling, even though you have said you are unsure of it from the news media, who this person might have been?

A Yes. I think there is a 50 or 60 percent chance that it was Poindexter, although my memory is a bit vague on that.

Q So you are not sure it was Poindexter by any means?

A Right.

Q And this is just a guess made on your part based on photographs you have seen in the news media? Would that be an accurate way of describing it?

A Yes.

Q After you returned to the United States, when was the next time that you went back to Central America on your work?

MR. BROWN: Can we go off the record again?

MR. BALLEN: Yes.

[Off the record.]

BY MR. BALLEN:

Q Did there come a point in time you returned to Central America--sir, did there come a time when you went back to Central America on instructions by Richard Gadd or John Cupp? Who contacted you?

. A I was at my home and John Cupp called, and told me that--and he wanted me to pay for a plane ticket. I told him I wouldn't or couldn't do that. They told me to go to the airport and they would have a prepaid ticket there.

. Q Did you go to the airport, sir?

. A I went to the Fayetteville Airport. I flew from Fayetteville to Miami, from Miami to [redacted]

. Q What happened after you arrived in [redacted] What date was this approximately?

. A This was like the 6th of May. Ramon and a driver named Alfredo were there at the [redacted] commercial airport and they ushered me through Customs. We flew in a helicopter back to [redacted] from [redacted] got in a car and stayed at the safe house. I stayed at the safe house for like a week and acted as a radio operator.

. Q What were you doing as a radio operator?

. A Keeping communications open between the [redacted] flight strip, the safe house and trying to attempt communications with Washington, D.C., with Dick Gadd's office in D.C.

. Q Did you have any communication with Dick Gadd's office?

. A During this period of time, [redacted] was traveling around setting up stuff, and I had good communications with him while he was at [redacted] and I don't know whether this is the period of time when he moved to Washington, D.C. and I had communications with him then or not. There were only two or three times we did establish communications and it was--

. Q What kind of instructions was he communicating or relaying information to you or communicating?

. A I was relating most of the time to the [redacted] strip, tomorrow we will have a Maule come down and pick you up, [redacted] and you will get back to America and stuff like this. It wasn't operational information really. It was more crew scheduling and we need more fuel and stuff like this.

. Q Who was giving you these instructions?

. A [redacted]

. Q Sir, did there come a point in time when you participated in any more air drops?

. A Yes. We took the C-7-A Caribou back to [redacted] and we worked there at [redacted] the 12th through the 15th of May, and we, according to my trip report and such, I have it down there as delivering 45,000 pounds of cargo.

. Q Where did you drop this cargo?

. A Around [redacted] drop zone.

. Q What kind of cargo was it?

A Again, it was a mixture of rice and beans and also AK-47 ammunition and stuff like that. I don't mean to be redundant. I see AK-47 ammunition, but it was always present.

Q Were there AK-47 rifles, other kinds of armaments or simply limited to ammunition at this time?

A We had large cardboard boxes that were made expressly to put RPGs in and these boxes were very large and they would put anything in those boxes; and if I wasn't there in the warehouse seeing what was put in there, I don't know what was there.

Q During these flights, did you observe any other armament other than the AK-47 ammunition?

A No.

Q During this time period, how many flights did you make?

A I don't have a record of it.

Q You said 47,000 pounds.

A And that's probably--

Q Over what time period was that?

A That's the 12th through the 15th of May, and we pulled like four to seven missions each day during that week.

Q After the 15th of May, what did you do?

A Went back to [redacted] safe house, worked as a radio operator. Around the 22nd, well, the 20th to 22nd is when a man came in. He was introduced as Robert Dutton. He was kind of--we were told he was going to take over and charge. We didn't know whether he was going to take over and charge in Central America or over the whole operation.

Q Who told you that?

A [redacted] and Cooper, William Cooper.

Q And what happened, sir?

A During this period of time we flew Dutton to [redacted] showed him the farm. I boarded the plane to take him down [redacted] They decided it would be better if I stayed at the safe house and operated the radio in case anything happened on the way down [redacted] and we would have radio contact. Dutton wanted to be in communications at all times. During this period of time is when William Cooper would hand carry Dutton around to all the safe houses, showing him the living quarters, showing him the warehouse, showing him each of the bases.

MR. PARRY: You say [redacted] which--

THE WITNESS: I'm sorry, the farm is what we referred to [redacted] as.

BY MR. BALLEN:

Q Was there any discussion with Dutton during this time?

A Yes. Dutton came up to me as a radio operator and said, ''What type of code are you using?'' I showed him the code cards I've shown you. He said, ''How often are you going to change these?'' I said, ''I invented them on my own and you are paying for radio operators. Why don't you have radio operators do this stuff. I'll be glad to, but if you want them changed, just tell me.''

. Q The code cards you are referring to have been premarked as Exhibit No. 2. These are copies of the cards that you showed to Robert Dutton?

. A That's correct.

. Q These are the cards you prepared the previous time?

. A Yes. I made five sets of the cards up.

. Q Looking at both sides of the Xerox copy that is marked as Exhibit No. 2--

. A These are a true and accurate copy of those code cards.

. Q Did you, in fact, not make that from an original you have retained?

. A Yes, I did.

. Q Sir, was there any conversation with Dutton and the crew over dissatisfaction with the conditions down there?

. A The 22nd of May in the evening, we assembled the whole crew together in safe house number three, which is the one that has been displayed on the news media. It has got a garage underneath, white stucco archways. It is the house

William Cooper stayed in all the time. We summoned the crew together. Dutton comes in and says, ''Well, I'm Robert Dutton. I'm going to take over operational control of this outfit or mission, and Dick Gadd will only be in charge of logistical support from now on. I want you all to know I'm not a 'newbie' to this type of operation, that I have been managing gray operations for years.''

He went on to say that he had helped plan the Desert I Operation and things like this were his line of work and cup of tea.

Q In fact, you were on the Desert I Operation, isn't that true?

A Yes, and to some extent I was, I guess I was insulted that this guy was going ahead and tooting his own horn about this stuff. And it was clear to all of us in the meeting that he was tooting his horn, he was pissing us off, and he wasn't going to be any better of a manager than we had seen before.

Q Just for the record, the Desert I Operation was the attempt to rescue the hostages in Iran?

A Yes.

Q What year was that, sir? When did that occur?

A 1980. I forget.

Q You forget. Okay.

MR. ADDINGTON: Either '79 or '80.

THE WITNESS: It went down in '79. It was a year later we tried.

BY MR. BALLEN:

Q So there was this conversation, this talk given by Dutton to the crew.

A He goes on to say that the principals of the operation have been upset we haven't been working more efficiently, and he knows that might not be directly related to us, but that now that he was on board he is going to manage us better, we are going to get a better image and we are going to get better equipment down there and bring all our problems to Cooper and that Cooper would be walking to him.

Q Did Dutton say who these principals were?

A No.

MR. BROWN: Can we go off the record a second.

[Off the record.]

MR. BALLEN: Let's go back on the record.

BY MR. BALLEN:

Q Dutton had stated he was taking over operational command control from Gadd?

A Yes.

Q During this meeting you have just described, he was talking to the crew in essence?

A Right.

. Q And did you have any conversations--had you gone to an air strip in Costa Rica?

. A Yes. I had helped fly fuel jumps to stock the Costa Rican air strip with fuels that we could fly down there and refuel our plane and fly back.

. Q Do you recall when this was approximately? If you don't--

. A I don't really remember.

. Q Was it sometime during this period of the spring of 1986?

. A Oh, yes. It was during the month of May.

. Q Did you have any conversation with Dutton about this air strip?

. A Yes.

. Q When did that occur?

. A In the first day or two that Dutton was there. I believe it was when he was going through our safe house. I was the only one there. I was operating the radio. Dick Gadd and John Cupp had always told me we were going to be based out of the Costa Rican strip and that was going to be our main camp, that's why they were building a barracks there and stuff like this. This was going to be our main area. When Dutton was at the house and we were talking about like the next day we were going to fly into Costa Rica, I questioned him, do you think we are going to move down there and all that type stuff. The base here at [redacted] with the extra maintenance we could get from [redacted] [redacted] don't you think this is a better place to stay? At this point he said something about how the political aspect of Costa Rica had been changed--was slowly changing or was in a sensitive area, and that he didn't know where we were really going to be having our main base.

. Q Did there come a time you flew back to the United States with Dutton?

. A After Dutton's meeting, the next day I was supposed to go back to the United States, and I was taken to the airport by one of the drivers, got my ticket, went up to the lounge and sat down, and I was sitting there with my computer typing out a trip report, and I observed Robert Dutton and Rafael walk in aboard the same plane. They either didn't recognize me or they didn't want to acknowledge my presence right off. I didn't say anything. I sat there for about half an hour. The plane was delayed. I got up and I started to walk out. They got up, they started walking out. We met in the hallway, said hello to each other. Dutton asked me something about how I liked working on this operation. I said to him, well, I thought it was pretty good although it definitely had its lulls and I thought that instead of hiring just specialized people that we could get a bunch of people cross trained in a lot of different areas. I was a parachute rigger and I acted as a radio operator, and I was telling him I was seeing people just sitting around during the day and not doing anything because they were too specialized.

Q How did Dutton respond to that?

A He just nodded his head and changed the subject, and then he and Rafael went and sat down by themselves.

Q Did Dutton--other than saying he operated a lot of gray operations before, including Desert I, did he acknowledge any identification with the United States and the military?

A He said he was a military officer.

Q Did Gadd ever identify himself as having a connection with the military?

A Early in January he told me he was a retired Air Force officer and he had helped in the Desert I planning, and he had on his walls a collage of cuttings and clippings from Desert I, which in my mind helped back up he had helped plan.

Q How about [redacted] was he in uniform?

A Each time--most of the time when I met [redacted] he was in a set of camouflage fatigues.

Q Did he ever wear anything else that helped you identify his rank [redacted]

A No.

Q Did he identify himself as [redacted] Did he give his rank?

A Yes.

MR. BROWN: Can we go off the record a second.

[Off the record.]

MR. BALLEN: Back on the record.

BY MR. BALLEN:

Q Did you see any insignia on his fatigues, referring to [redacted]?

A Yes.

[redacted]

Q Sir, when you were down in Central America, did you at any time observe a TRW machine?

A I observed several TRW lab computers, yes.

Q Could you explain the circumstances of that and what you understood these things to be?

A The first time I saw one, it was in Dick Gadd's office, and I didn't really think anything about it. I have a Radio Shack computer. I didn't think anything about it. When I went down to Central America on my first trip, I saw Max Gomez with his, the same computer, with little ear cups to go on the telephone. He was typing a message and saying this is the way they transferred their sensitive information

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over the telephone. I later--all the computers I saw were--Dick Gadd had one, Max Gomez had one, Rafael had one, [redacted] had one to begin with, I was told, and later it was transferred to Cooper and I saw Cooper with it.

. Q Were these used as encryption devices or do you not know?

. A I don't know for a fact. I was led to believe that they were used to transfer files in somewhat of a coded manner. What type of coding, I do not know. I was not told.

. Q Did Dutton have any association with these machines?

. A When Dutton was going around he was always with Rafael, and Rafael would have his. I never did see Dutton with one.

. Q After you flew back in late May to the United States, did you ever go to Central America again?

. A No.

. Q Subsequent to that occasion, did you obtain additional equipment and supplies?

. A Yes, I did.

. Q Including parachutes for Dick Gadd?

. A Yes, I did.

. Q Did those dealings follow the kind of dealings you had previously in the year, in early 1986?

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A Yes, the identical style or ordering. John Cupp or Dick Gadd would call me and give me a basic list of what they wanted, and I would tell them in a day or two I would get back and tell them how long it would take and the price.

Q Did you ever ask why you weren't being sent back to Central America or not?

A I have neglected to tell you a thing--let me go through. Dick Gadd had asked me to, in my trips to Central America, investigate a warehouse, how much the labor was and this, that he would fly a Southern Air bird to Fayetteville, pick up all my sewing machines and move my company to Central America and we would produce the parachutes cheap enough to satisfy somebody in the State Department who said that a parachute of this type should only cost $60. So like in my May trip I was writing somewhat of a feasibility study and investigating moving down there. I was shocked to find out, [redacted] had a social security system and I would have to pay social security on the employees down there. I was also figuring you had to hire one or two security guards to protect your factory and all this, and I was considering it. It didn't make any sense to me. When I was in Fayetteville I talked to my lawyer and said, ''Hey, what is this guy trying to do to me? He is asking me to send my company to Central America. He is not telling me he is going to give me $100,000. How do I treat somebody like

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this?'' He said, ''Well, you better treat him cagily. Be careful.'' So this is the reason I was on the corporate jet to go back with these three people, because Dick--

. Q This was in late May. You are talking about the jet with Dutton, Rafael?

. A Yes. Dick--

. MR. BROWN: April.

. THE WITNESS: Late April, yes. It was the only time I was on that corporate jet.

. MR. PARRY: Back with Secord and North.

. MR. BALLEN: In late April.

. MR. PARRY: Yes.

. THE WITNESS: Correct, late April. Correct.

. MR. BALLEN: Okay.

. THE WITNESS: This was kind of like the height of the time I was supposed to be considering moving my company down there. I took it as Dick was stroking me, giving me the free bennies and such.

I came back. I told them, no, I wouldn't move down there. I had designed a special parachute to be made as cheap as possible for this operation. I made a sample there. It was like the first week in June or so. I made it in my shop. I was expecting to go back down to Central America. Dick said, ''You bring your parachute up here, let me look at it, and I've got a few things to discuss with you.'' I go back

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up to his office and about the first thing he tells me is, ''Iain, I don't know who it is in the operation, I don't know whether it is Cooper, Dutton or who, but somebody decided they no longer need your services down there, you will be used in procurement just up here.'' I said, ''What's wrong? Why am I not going to be allowed to go back down there?''

He said, ''Well, they have described you as being a bit flipmatic.'' I didn't know what he meant at the time. I figured he was trying to go over my head so he wouldn't have to explain. I said--I remember saying to him, ''At times I might be a bit flamboyant, but what do you mean, what's going on?'' He didn't want to expand upon it. He wanted to talk about the parachute.

BY MR. BALLEN:

Q Back on the flight in April with North and Secord, did you hear any discussion between the two of them about Air America?

A Yes.

Q Could you describe that to us?

A Sitting there overhearing the conversation, I heard Gadd and Secord talk, and they kept nodding or--the third individual I can't identify was also in the conversation, although he didn't say that much or I couldn't hear that much. Secord was always talking about back in Laos we used to use about the same type of aircraft for these types of missions and this type of talk. There was some talk about how Cooper was an old pilot and Secord had either known him or known of his name back in Vietnam.

MR. BALLEN: Can we go off the record a second.

[Off the record.]

MR. BALLEN: Back on the record.

BY MR. BALLEN:

Q It was the first trip back in late April you had had discussions prior to that trip with Dick Gadd about moving your operation down to Central America?

A Yes. I was supposed to just look around, and in April was the first time I had talked to him about moving it down.

Q After you came back in late May to the United States, it was at that time, after that time that you had informed Gadd that you were not willing to do that?

A Correct.

Q And it wasn't until then that you informed him?

A Correct.

MR. PARRY: I would like to go back and ask some questions you probably know the answer to.

MR. BALLEN: Off the record just a second.

[Discussion off the record.]

RPTS STEIN

DCMN DANIELS

MR. ADDINGTON: Back on the record.

MR. PARRY: I would like to put on the record that I am with the National Select Committee, that Mr. Crawford has been subpoenaed by the Senate, is scheduled to appear on Monday, and that this appearance at this time satisfies that subpoena.

We will not require his appearance--we will not required his appearance pursuant to the subpoena that is presently in effect.

I can't make representations that we won't need to talk to you in the future, but your current obligations are satisfied.

THE WITNESS: I will stay in contact and do anything that is required.

BY MR. PARRY:

Q I would like to ask you a few questions about the finances. What were you paid--what was the salary arrangement?

A I was told $150 a day plus there were some incidental things. I think there was a beer ration of $6.00 a day that we were authorized. We were told that we would be reimbursed for travel expenses.

Q Was that standard for most of the crew or were there differences in the pay scale?

A I understood that everybody started at $150, but people like [redacted] and [redacted] in [redacted] were being paid $225 a day.

Q From East or from Gadd? Were they all paid by the same entities?

A We started off with American National Management Corporation, or East, and I believe that everybody was transferred, as far as pay, to Corporate Air.

Q This $150 a day, was that significantly better than you were doing with your business?

A $150 a day was an appealing price. I didn't think that it was--I didn't think it was a high pay for the type of job that we were actually doing and the conditions we were living in and I think it was reasonable, all the crew was asking for more money.

Q Were you also doing it with the hopes that it would lead to more involvement of your company--you mentioned the possibility of moving it to [redacted] Was that something that was one of your motives for staying with the outfit for a while?

A It was definitely one of my considerations, yes.

Q That was a subject of negotiation from the beginning, I take it, that you might be asked to move your company down there.

A Well, the beginning was in January and the first hint that I ever had of moving my company down was in April.

Q So you originally agreed to go with them without any talk of perhaps setting up your own company?

A Correct.

When it was first brought up, I thought it was a rather strange move and only considered it because Dick Gadd, who in my opinion was smarter and wealthier than I was, that if he was going to suggest this, it was something that I should consider.

Q When you made your first trip to [redacted] from New Orleans, did you observe the plane in New Orleans being loaded?

A No, I did not.

Q Did you know where the supplies were coming from that were loaded on the plane?

A No. I had been told by [redacted] that a man in New Orleans by the name of Mario was the man who coordinated the cargo.

Q Did you ever see Mario?

A No.

Q They didn't give you a last name?

A No.

Q Did you subsequently learn who that Mario might have been?

A No.

Q This Mario, would he have been responsible for loading the lethal aid as well as the humanitarian aid or do you have any way of knowing that?

A I don't have any real way of knowing. What I saw led me to the conclusion that only humanitarian aid came from the continental United States. While I was in [redacted] there were two or three trips of a Southern Air 707 flight that we were told came in from Europe and it was only told to us that it came in from Europe. I helped unload one, it had the Heckler and Cock G-3 rifles on it, and a large amount of ammunition, plastic explosives, detonation cord and grenades.

Q So to your knowledge, the flights coming from the United States did not carry arms or ammunition?

A That was my opinion.

Q The flights that brought in the ammunition--can you identify by the dates and perhaps the markings on the aircraft--can you identify those flights?

A I remember that they were 707's, that they had Southern Air painted on the outside, Southern Air Transport-owned. I did not take down the tail numbers of those aircraft.

There was one--there was a flight in April, either on the 14th or 15th that arrived, and then I am not too sure when the ones in May were. There were probably two in May.

Q Did you get a chance to personally view the cargo that was on the planes?

A On one flight, I did; on one. I know [redacted] viewed what was going on.

Q What did you see?

A The G-3 rifles and what I just listed.

MR. BROWN. This would have been where? [redacted]

THE WITNESS: Yes, and we loaded the stuff into the butler building warehouse.

BY MR. PARRY:

Q So it would come directly from Europe to [redacted]

A Correct.

MR. BROWN: At least as far as you know, what you have been told?

THE WITNESS: Yes.

MR. BROWN: Who told you that the 707 flights had come from Europe?

THE WITNESS: Max Gomez.

BY MR. PARRY:

Q Now, the Southern Air flights that would deliver either humanitarian aid or ammunition, did you ever hear or observe that they left with other supplies? Did they pick up supplies in either [redacted] for return to the United States?

A The only time that I know stuff went back to the United States is, I think they had a large amount of fatigues that they had bought. They were more than seconds. They were a bad purchase and that they were shipping them back to the States to get a refund. But other than that, from what I observed, all the flights back to America were empty.

Q Did anyone ever suggest that drugs were being taken back to the United States?

A In my first trip down there in April, I remember being at [redacted] and a plane coming in and having like in a Miami Herald, I believe that was the newspaper. There was an article about how the contras were shipping drugs. We discussed this and were appalled by it and thought this was a sure campaign going on against an anti-communist revolt.

We had no indications whatsoever around [redacted] or [redacted] that there were any drugs to be had anywhere.

Q So nothing was suggested to that effect?

A I have no knowledge. I have heard so much in the media and what I wanted to say is I don't want to be told that I am wrong later, but this is the circumstances which I observed.

Q A last area of questioning is the Costa Rican drop zone or airstrip. Do you have any knowledge as to who owned the property that the airstrip was built on?

A No. I have no knowledge of the ownership of the property.

Q Do you know--can you give me the names of people involved at the Costa Rican site?

A Maybe what I should do is start and try to tell you all of what I know about the Costa Rican strip.

Early in January, I was told by Dick and them and showed a satellite photo of the area where they were building the airstrip. They said this is where I would be based out of, they were going to build barracks. I know that [redacted] the person I served [redacted] with, went down to supervise as the on-site manager of the construction.

He was supposed to hire the construction crews and sign contracts and be the station chief.

MR. BROWN: What are the names of the individuals again?

THE WITNESS: [redacted] was there. Later on, [redacted] went there. We were in the Army together again; he was a medic. I know that [redacted] and [redacted] ran that operation while they were there.

[redacted] also went there and has more knowledge of that strip than I do. I know that at one point Raphael was flown down in a Maule aircraft and I believe what happened was he met with [redacted] and [redacted] told them

[redacted]
to get into their motel rooms and stay there and not to let [redacted] off the airstrip. [redacted] was to stay there and not to come into town.

They were supposed to stay in their motel rooms to present any sort of press leakage.

BY MR. PARRY:

Q This was in Costa Rica?

A Yes.

Q It was near a town?

A Four hours away.

Q Do you know what town that was?

A I don't know. [redacted] would know.

MR. BROWN: Do you have dates when this took place?

THE WITNESS: The beginning of May.

BY MR. PARRY:

Q Anything else?

A No. That is about all I know about the Costa Rican strip.

Q Okay.

BY MR. ADDINGTON:

Q I wanted to go through Exhibit No. 2 in a little more detail.

On the first side of this, the one where the top of the exhibit is your picture card ID, who issued that ID?

A Max Gomez placed a phone call from his room to the ID card facility, told them that Ramon would bring me. Ramon drove me to the ID card facility and I was issued the card. It is nicknamed the ''Walk on Water'' card. We were told while in [redacted] if you got in trouble, to show that card, which would mean to them that you were kind of the best buddy or agent of [redacted] and that the local populace was scared of these cards and they would take you anywhere you wanted.

Q This was issued by [redacted]

A Yes.

MR. BROWN: If we could go off the record for a moment.

[Discussion off the recored.]

BY MR. ADDINGTON:

Q On the same side there of this Exhibit No. 2, it has your picture card. Down in the lower right-hand corner, there is a card, the first line of which says ''farm,'' the second column, ''farm base.''

What is the farm that is also called farm base?

A That is [redacted]

Q Plantation is called plant base?

A Yes, and that is the Costa Rican strip. Shall I read it?

Q Yes.

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. A House No. 1 was called Charlie 1. That was the house where I resided not too far from [redacted]

. Q Was that the Safe House No. 1 you talked about earlier?

. A Yes.

. House No. 2 was the house where eventually the Rhodesians or the South Africans were residing. It was known as Charlie 2.

. Q Do you have any idea where that is or can you tell us in some general way?

. A It is down the hill from both the other safe houses. Max's quarters or Max's room was known as Condor base.

[redacted]

. The next line is warehouse or whiskey 1. That was the butler building where we stored equipment and supplies at [redacted]

. The next line is Washington, D.C., and its name was top floor.

. Q Did you just use that to refer to D.C. geographically or to somebody in charge?

. A Geographically, and the principals in D.C.

. [redacted] is [redacted] known as the Chicken Fighter; Iain Crawford, Rojo; [redacted] Bushmaster.

I believe [redacted] is [redacted] who was known as Blue. [redacted] was known as Farmer. [redacted]

Q Who was [redacted]?

A I don't know his last name. He was a C-123 flight engineer and mechanic.

[redacted] is [redacted] known as White Top. He was a Caribou mechanic.

There was another [redacted] here--that is [redacted] I believe. He was known as Dude. Dick G. is Dick Gadd, Delta 1 Gulf. John C. is John Cupp, known as Juliet 1 Charlie. [redacted] was known as the Island.

[redacted] was known as the fruit stand.

Q Is [redacted] an Air Force base in [redacted]

A No. [redacted] is a [redacted] Air Force Base. Not that we ever went there. We were told to stay away from there and at one point we heard that a 707 of arms had been confiscated at [redacted] so I had to invent a code name to talk about [redacted] on the radio.

[redacted] is [redacted]. He was known as Grizzly. [redacted] is [redacted] known as Good Guy.

Q The next card starts with [redacted] You described the items and you refer to them by these fruit code names?

A Yes.

Q At the bottom of the card is brown, red, black, at

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cetera, and numbers.

A Those are radio frequencies, so we could say, ''Change from brown to black.''

Q Were these all the frequencies you used, the ones listed here?

A No. That was just a general list to get back. We would change during the day. After establishing contact on yellow, we might go up 20 or down 20.

Q What kind of units are these?

A Megahertz.

Q On the other side of the card, of the exhibit, you have got Caribou No. 1. A number of these planes you have already referred to, but [redacted] down there. [redacted]

A Right.

Q What was [redacted]?

A [redacted] is a somewhat mysterious black-painted aircraft which sits at [redacted] I believe it had been used several times during January through March for inside missions. [redacted] had told me this.

At one point I, in my April trip there, I observed the aircraft being moved. It wasn't on an operational mission, and this substantiated what [redacted] had told me--whenever this aircraft was used, a crew was flown in on a

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twin-engine plane, there were Americans all dressed the same [redacted]

Q So it definitely was your impression that this [redacted] that was referred to was not something under Dick Gadd's control, or your operations control?

A Right.

Q Bill C. and--

A Bill C. is Bill Cooper, known as Sailo[redacted] is [redacted] the Seahorse. [redacted] is [redacted] known as Nomad. Buzz S. is Buzz Sawyer, known as Buzzard. [redacted] is [redacted] known as Injun.

Max is Max Gomez; code name Condor. Ramon is Ramon Medina, known as the Caretaker. Rafael Quintero is known as the Traveler, and then U.S. Government, Playboy.; [redacted] New Look; [redacted] Timex; [redacted] Hammerhill.

Q On the last card here on the same page, that is the one that you just finished reading. It shows three columns of numbers, 0630 in the first column. Second, 4.050; the third column is 1830.

What do these numbers represent?

A They are times and frequencies for radio contacts, 6:30 in the morning at 4.05, and then at 6:35, we would try 7.05 megahertz on the third column is your evening schedule for the same frequencies.

Q The information you have on all this on Exhibit 2, the code cards that you made up and the frequencies, were these generally followed and used during the period you worked down in Central America?

A Yes.

Q I have a couple of questions that jump from various areas just for details about things we were talking about.

RPTS DOTSON

DCMN GLASSNAP

[2:30 p.m.]

BY MR. ADDINGTON:

Q Did you at any time while you were working in Central America get any instructions from Dick Gadd or anybody else in the operation with you about talking to U.S. Government representatives?

A I was told by John Cupp and Dick Gadd that if we are approached by anybody from the media or anybody from the State Department that these are our enemies, we should not talk to them. If it is an official thing in Central America and somebody from the State Department, we should answer their questions as short as possible and not volunteer the slightest bit of information.

Q You referred earlier, we were talking about some of your flights and so forth to [redacted] the warehouse. From what you saw of the warehouse and the operations that you had connected with it, was it clear to you it was under the total control of Contra forces?

A Yes.

Q Did you ever see any person who appeared to be a North American, a white-faced person, inside the warehouse area?

. A I didn't see, and I can't place any American in that warehouse.

. Q Also, just a moment ago when we were talking about the Sanalena, Costa Rican airstrip, you mentioned at some point you were shown a satellite photo of it. Was there anything on that photo that indicated to you it was satellite or just that it was a view from above?

. A That might be a bad conclusion on my part. It seemed to be a satellite photo, although it could have been taken from 60,000 feet. It was not a low-level flight.

. Q You also mentioned TRW machines were used for communications. Would machines always be used with a normal commercial telephone available down there?

. A Yes.

. Q During your military service, did you have any intelligence training?

. A No.

. Q The last question I have is about your calendars that you kept. You indicated I think at the beginning, when we were first talking about it, that some of it you put together later and some of it was contemporaneously recorded. Why did you keep the calendars when you were keeping contemporaneous entries?

. A I had this feeling that John and Dick at one point wanted to see, ''But, Ian, what have you been doing? You are sitting down there on your butt not doing anything.'' So I was trying to keep track of my schedule and stuff like this to say, ''One, I have been working, but, yes, look at these logs and this is because of you, you can't coordinate it right.''

MR. PARRY: Off the record a minute.

[Discussion off the record.]

BY MR. ADDINGTON:

Q You mentioned earlier Rhodesians or South Africans [redacted]. Tell us what you know about that.

A I had been told by Dick Gadd we would have some foreigners coming into the operation, and then later on in [redacted] when Cooper came down in the C-123, the first night at the safe house, he was questioning [redacted] whether the foreigners had showed up yet. There was discussion on whether or not they were Rhodesians or South Africans, and nobody was very clear on what they were, but it was referred to as they were carrying the proper passport to pull these inside missions. But we weren't going to be allowed to go inside Nicaragua. Before we had always been promised bonuses for crossing the fence and stuff like this.

Well, a large amount of the crew was kind of hurt by the fact now we were pulling in three foreigners to do this job, and we are just going to do the simple stuff. Somewhere around May 6 is when they showed up, and I remember when we were told to pick them up at the airport, that day Max and Ramon and [redacted] had decided that since they were paid mercenaries--and I don't like the word ''mercenary''; but these were more--it was more of a fitting term for these people--since they were mercenaries and had no allegiance to the United States Government that we didn't want them listening to our conversations and knowing what was going on, so on and so forth.

The safe house number two was cleared out of all Americans, they were all doubled up in the one house that we had, and another house was looked for. A couple guys went to a motel. We did rent motel rooms to put people in to clear this out to put the Rhodesians/South Africans in so they would be by themselves and wouldn't be here.

That night [redacted] and I go over to meet them. [redacted] is one of the chief pilots on the--the chief rigger at that time was back home. We go in to talk to them, they introduce themselves by first name only. [redacted] asks them, ''Well, how much time do you have flying a Caribou?'' The first guy says, ''a Caribou? We don't fly Caribous, we are C-47 pilots.'' [redacted] said, ''Oh, my goodness, do you think you could fly a Caribou?'' There was discussion about how the pedals on the floor are different, this and that.

I talked to the parachute rigger, the third and youngest of the three. He says he can put out any load, and

I asked him if he can rig and such like that. He says, ''Yes,'' he has been working [redacted] for quite some time, and he has been flying on C-47s and parachuting. So he is a rigger/road master.

On the way back to the safe house, I am asking [redacted] ''What do you think about these two pilots, why would Dick Gadd fly two people who can't fly the aircraft we are going to use?'' And it was just typical. That is all it was.

BY MR. BROWN:

. Q Ian, I wanted to ask you, going back to the period of April 20 and you are on the Jet Star returning to the United States, did you have an opportunity to get to know the crew of the Jet Star?

. A I had a few conversations with them. I talked mostly with the stewardess.

. The first contact was with the co-pilot there at [redacted] and as I sat down at the table, he asked me what I am doing.

. Q Let me ask you this. Do you know their names?

. A No.

. I know that the stewardess, I was talking about my business, she was talking about her business, she was an airline flight attendant, and that she ran a business in Miami and solicited in the newspaper for people wanting to apply to an airlines for a job in flight attendance, that they would pay her $25 and go to a four-hour seminar on what kind of makeup and clothes to wear and how to fill out the job application.

I felt I could trace her down that way. She has red hair, rather attractive, a 30-35-year old lady.

Q Did you learn where her business was located?

A There in Miami. From the crew, talking to the pilot there at Southern Air, he turned around and pointed to a large office building, six, seven story office building, lot of glass on it, that that was the cosmetic company they normally flew for. They went on to state this flight wasn't a luxury flight because they didn't have the videotape recorder on there they normally flew--I think it was one of the owners of the cosmetic company who was like from Bogota, Colombia, and they were talking about he normally flew with a video deck, they could watch movies on the way back, and the majority of his cargo going back to Bogota was pampers and diapers because they couldn't get them there.

Q Did you learn of who owned the Jet Star?

A I was told that the cosmetic company owned it, and they were attempting to sell it.

Q To whom, anyone?

A To Dick Gadd/Southern Air.

MR. ADDINGTON: Off the record.

[Discussion off the record.]

[Whereupon, at 2:45 p.m., the Select Committee adjourned to proceed to other business.]

Dotson/drg

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EXECUTIVE SESSION

DEPOSITION OF IAIN CRAWFORD (RESUMED)

Friday, March 13, 1987

House of Representatives,
Select Committee to Investigate
Covert Arms Transactions with
Iran,
Washington, D.C.

The select committee met, pursuant to call, at 2:45 p.m. pursuant to other business, in Room H-328, The Capitol.

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Partially Declassified/Released on 4/22/88
under provisions of E.O. 12356
by B. Reger, National Security Council

1A of 5

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BY MR. ADDINGTON:

Q We will do this last question Ken wants to ask about, which is the CIA. We have one final question that Mr. Ballen wanted to ask you. Were there any individuals during the period you were down in Central America who you believe had affiliations with the Central Intelligence Agency?

[redacted]

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[redacted]

Q Did they give you information?

A Very little, and it was always spread apart.

Q For the most part, did they stick to merely gathering information?

A Generally.

Q How about in [redacted], were they merely information gatherers?

A [redacted] it was [redacted] support [redacted]

Could I take a break for a second?

(Discussion off the record.)

BY MR. ADDINGTON:

Q Could you describe to us your knowledge of activities [redacted]?

A [redacted] and then a few days later it was like in May, I volunteered and kind of asked if I could go along with [redacted] Helicopter that was being flown with a large amount of food and about 200 or 300 pounds of plastic explosives.

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[redacted] said I could go ahead and climb aboard the helicopter as long as I understood it was every man for himself in case we got shot down. We landed on the Nicaraguan side and unloaded the stuff real quick and flew back [redacted]

Q Who else besides you [redacted] was on the helicopter?

A [redacted]

Q Do you know what nationality the pilots were?

A They were Americans.

Q Did you hear them speak?

A We were all on headsets, and we all talked. They informed me on the headset they had come in from [redacted]

BY MR. BROWN:

Q What kind of helicopter?

A It was a [redacted] helicopter.

MR. ADDINGTON: Thank you very much. We appreciate your cooperation. Your testimony is very helpful. We also

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appreciate your cooperation, Mr. Brown. If there is anything more, obviously we will contact you, but I think at this time you can discharge whatever obligation you have to the House Select Committee and the Senate ~~side~~ Select committee. We thank you very much.

That concludes the deposition.

(Whereupon, at 3:00 p.m., the deposition in the above-entitled matter was concluded.)

Dotson/drg
end

NO DATE

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CLASE ____________

DESTINO Ft. S.

PESO Lbs. 730 lbs.

SUMINISTRO No. ____________

OBSERVACIONES 20 Fusiles G-3 — 6 Tubos RPG-7v — 3 lanza granadas 79 — 50 Bengalas — 10 Brújulas — 16 granadas M-79.

Declassified/Released on 29 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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EXHIBIT
Crawford Deposit.
Ex. 1
March 13, 1987

NC [illegible]
House Select Committee
Exhibit No. 2
Iain Crawford Deposition

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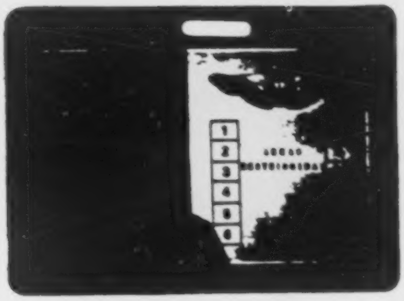

STRICKLAND
1234567890

Guns	Apples
Ammo	Oranges
Explosives	Pears
First Aid Gr	Peaches
Survival Gr	Grapes
Commo Gr	Bananas
Food	Apricots
Water	Pineapples
Parachutes	Tangerines

Brown	4050
Red	7050
Black	11650
Yellow	13585
Tan	15615
Green	17010
White	19360

Farm	Farm Base
Plantation	Plant Base
House 1	C1
House 2	C2
Max's Rm	Condor Base
Warehouse	W1
Wash. D.C.	Top Floor
[redacted]	Chicken Fighter
Iain C.	Rojo
[redacted]	Bushmaster Blue Farmer White Top Dude
Dick G.	D1G
John C.	J1C
[redacted]	Island Fruit Stand Grizzly Good Guy

Partially Declassified/Released on 24 JAN 88
under provisions of E.O. [illegible]
by K. Johnson, National Security [illegible]

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EXHIBIT
Crawford Deposition
Ex. 2
March 13, 1987

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0630	4.050	1830
0635	7.050	1835
0640	11.650	1840
0645	13.585	1845
0650	4.050	1850
0655	7.050	1865
0700	11.650	1900
0705	13.585	[redacted]
0710	4.050	1910
0715	7.050	1915
0720	11.650	1920
0725	13.585	1925

Caribou #1	Eagle 1
Caribou #2	Falcon 2
C-123	Toad 1
Maule	Toy
[redacted]	Whale
	Fantastic 6
707	Fantastic 7
Bill C.	Sailor
[redacted]	Sea Horse
	Nomad
Buz S.	Buzzard
[redacted]	Injun
Max	Condor
Ramon	Care Taker
Ralph	Traveler
U S Govt.	Playboy
[redacted]	Newlook
	Timex
	Hammerhill

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